

The cost of living

DEATH catches everyone eventually and the cost of life insurance for those aged in their 50s and 60s can also catch many people out.

With life cover for a 60-year-old often costing 10 times more than it does for a 30-year old, baby boomers can have some big financial decisions about whether to hold or ditch a life insurance policy.

Financial experts say it depends on individual circumstances but it is vital for people with school-age children or debts such as mortgages, personal loans and business loans.

Financial strategist Theo Marinis says people in their 50s and 60s might not need the same amount of cover as younger people.

"Most people, if given the preference, would rather have a sum of money available to deal with the un-

Is life insurance worth it, asks Money Editor Anthony Keane.

expected than dip into savings or sell assets - perhaps even more so at older ages," he says.

While a 30-year-old seeking \$500,000 of life insurance can expect to pay about \$30-a-month for their cover, someone who is 50 and seeking the same level of cover will pay about \$90-a-month, and a 60-year-old will be looking at more than \$300. That is if they can get life insurance at all.

AMP financial planner Mark Borg says that between 25 and 30 per cent of over-55s do not qualify for life insurance because of pre-existing medical conditions. Others will have to pay a higher premium or



have exclusions on their policies. "Overall, we have about 50 per cent get through as standard life - the others have exclusions or loadings," Mr Borg says.

Mr Borg says covering any outstanding mortgage and income earners' expected wages are the key life insurance issues.

"There are some people who need the insurance, particularly those

that are under-funded for their retirement," he says.

"It's not so much 'how much does it cost?' It's 'what would we do if that occurred'."

Mr Marinis says the baby boomers most likely to not need life cover are those who have no debt, no dependant children, and significant assets where at least some can be sold easily. >>