



Assessing your protection needs

International Protector Asia

We all need protection. If the worst should happen to you, could your family survive?

How would you cope with the financial consequences of major illness?

Use our guide to assess a suitable amount of life and critical illness cover for you.

Hong Kong

Life cover checklist

How much cover do you need?

You may already have existing cover to pay off your mortgage, but your family will also need to pay for everyday bills and expenses plus extras, such as summer holidays, music or sports lessons, or just days out.

Will your existing life cover be enough to pay for all of this?

If there is a shortfall between the annual income your family would need and the level of income your current life cover would produce, how would your family cope?

You can use the tables below as an indicator of the types of payments/outgoings you should consider. Start by considering any loans you would wish to repay, then your monthly outgoings.

You should also bear in mind benefits provided by your employer which you would have to be pay for yourself if you were unable to work, e.g. medical expenses.

Outstanding loans	Amount
Mortgage	
Credit cards	
Other	
Total	

Monthly Expenses	
Mortgage payments	
Rent	
Property Management Fee	
Credit card bills	
Rates	
Loan repayments	
Food	
Utilities	
Car expenses	
MPF	
Private medical insurance	
Other insurances	
Telephone	
Television	
School fees	
Holidays	
Other	
Total monthly outgoings	
Multiply by 12 = yearly outgoings	

This final total gives an idea of the yearly income your dependants might need.

You will also need to consider how many years you might need the cover for, e.g. until children have finished higher education or the mortgage is paid off. Remember to take account of any existing life cover, inflation and future interest rate changes in deciding an overall level of cover that you require.

You should consult your insurance broker for further information.

The above table is for reference only and is not intended to replace the Needs Analysis which you need to complete with your Insurance Broker.

Critical Illness Cover

Why do you need this cover?

What will happen to your family or the ones you love if you contract a critical illness at some point in your life? This is a question nobody likes to think about. However, with Critical Illness Cover in place, you can have peace of mind in knowing that you will have financial support during your recovery period should you suffer a major or life threatening illness.

A lump sum could be used to help protect your family and dependents from financial hardship by providing the means to pay off the mortgage on the family home and/or by providing a cushion enabling you and your family to maintain their standard of living. With improvements in medicine leading to higher recovery rates, particularly for cancer, Critical Illness Cover can also be used to pay for the best treatment for your condition, for specialist care, or for necessary adaptations to your home.

How much cover do you need?

The amount of cover required will depend on an individual's circumstances. Essentially, the key factors you need to consider are the financial impact on your family in the event of you becoming critically ill, and how much money you and your family would need to survive until you recover.

Below are some factors to consider when calculating the approximate amount of cover you may need.

- Enough to clear your mortgage and any other major debts, such as loans for a car or home improvements

plus

- a multiple of your earnings, for example
 - 6 to 8 times annual earnings if you have a young family who will be dependent on you for a number of years.
 - 3 to 4 times annual earnings if you have an older family with a shorter dependency period.

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**For a no-obligation review of your life cover arrangements
please contact your Insurance Broker.**

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