

'Riding' through life's changing cycles

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Life is filled with changes both big and small - marriage, arrival of a new-born, job loss, ill health and purchasing a home are some adjustments we are likely to experience.

As our lifestyle and circumstances change over time, *so too our needs for insurance protection, longer term savings, investment and retirement funding.* That is why it is important for you to review your life insurance plans regularly with your financial adviser or when you face any major life changes. This ensures that your life insurance plans continue to be in line with your needs and goals.

Life insurance plans generally offer flexibility, allowing you to tweak your benefits according to your changing circumstances.

In particular, policy riders - designed to supplement your basic life insurance plan - can provide additional benefits.

Here are some considerations to keep in mind when you review your life insurance policies with your financial adviser.

How will I know if my life insurance plan continues to meet my need?

A good time to reassess is when your circumstances change. Maintain a regular dialogue with your financial adviser. This will enable him to have a current understanding of your present and future needs, and whether your existing plans will continue to serve you well.

Why can't I just replace my life insurance policy?

It is generally not advisable to terminate or terminate and replace a policy.

You will incur new sales fee and charges for the new policy.

If you replace one with-cash-value policy with another, the new policy starts from zero cash value and has to be built up afresh.

In addition, a new policy may not cover you to the same extent as under the terminated policy if your health has changed since, or you may have to pay higher premiums due to poorer health.

How can I supplement my existing life insurance policy to protect myself against unforeseen circumstances such as an accident or a terminal illness? Can I receive payouts of my policy in advance?

You may consider an accidental death benefit rider as it pays on death resulting from an accident. There is also an accelerated death benefit payable under a critical illness plan or rider.

Under certain circumstances like terminal illness, some plans allow you to receive the proceeds of your policy before you pass on.

Consider...	Benefits of the policy rider
Critical illness	<p>This cover can be bought independently or as a rider to whole life, endowment or term insurance.</p> <p>You receive a lump sum or several payments should you develop one of the listed critical illnesses. Major ones include major cancers, coronary artery bypass surgery, stroke and kidney failure.</p>
Decreasing term rider	<p>Your loved ones receive payments on a decreasing basis (i.e. coverage will reduce over time) over a selected term should you die or become totally and permanently disabled.</p>
Disability income rider	<p>You receive the bulk of your income when sickness or injury prevents you from working.</p>
Hospital cash benefit	<p>You receive a fixed amount of money for each day of stay in a hospital.</p>
Hospital & surgical benefit	<p>You are reimbursed for hospitalisation expenses.</p>
Personal accident rider	<p>This supplements your life policy by providing cover for accidents, including death.</p>
Term rider	<p>This provides added payout to your dependants should you die, become disabled or terminally ill during the selected term.</p>
Waiver of premium	<p>This supplements your life policy by waiving further payment of premiums due should you be unable to work due to sickness or disability for a set period.</p>

Source: Life Insurance Association, Singapore

N.B: The information in this article is of a general nature and may not apply to every situation or to your own circumstances.

This article should not be regarded as a substitute for seeking legal advice on any specific issue. Consumers should always seek the advice of their financial adviser when in doubt.

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