



Media release

17 August 2007

Plum addresses underinsurance with online calculator for members

Plum Financial Services Limited (Plum) has launched an interactive insurance gap calculator for the benefit of members, helping target Australia's underinsurance problem.

Plum's calculator is an independent tool, highlighting a member's insurance position to help them better understand any potential gap, and is not linked to any insurance products.

According to Plum's Managing Director, Mike Fitzsimons, as Australia's population ages, insurance adequacy is increasingly important, with industry experts telling us many people are inadequately or totally uninsured (see ref 1 over page).

'Insurance can help a person and their family in many situations, including in the event of injury, critical illness or permanent disability. Insurance cover can assist in easing the pain when a member is limited or prevented from working, or if they pass away unexpectedly. Insurance provides for the loved ones left behind,' Mr Fitzsimons said.

'These factors are all major impacts on a person's life and for that reason it is essential to ensure that insurance is adequate to cover a person when an unexpected event happens.'

Mr Fitzsimons said corporate organisations should also be aware of this, with Rice Warner Actuaries recently reporting that choice of fund could also lead to some employees being totally uninsured (see ref 2 over page).

'Insurance is also a major issue for corporate entities as well as individuals, as no employer wants to see their employees injured or die, with no insurance,' Mr Fitzsimons commented.

'I would urge every individual to double check if they have insurance under their super fund or by virtue of their employer and the level of cover. This calculator can help our members ascertain if they are adequately insured, or if they need to take action to increase their cover.'

- more -

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The calculator estimates the amount of insurance the member may need in the areas of:

- Life cover
- Total and permanent disability cover
- Income protection cover
- Critical Illness (major trauma) cover

Plum's online calculator, determines the gap between a person's current cover and the level it estimates they require. It also provides a general sense of whether their family will be able to continue to maintain their lifestyle, and meet their financial commitments in the event of the death of a partner.

The insurance gap calculator also has the ability to produce a report based on the data provided. This report can be taken to a qualified financial planner to assist members in assessing their particular insurance cover.

The tool features on a single webpage, allowing the member to see at a glance how they are positioned.

¹ IFSA, *Australian Mothers – undervalued and under insured*, 5 October 2005; and, IFSA – *Cost of Underinsurance Project – Analysis of Life Insurance Needs*, Rice Walker Actuaries, May 2005

² Rice Warner Actuaries, *Group Insurance*, Touchstone Newsletter, August 2007

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Further information:

For more information or a demonstration of the insurance gap calculator please contact:

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About Plum

Plum Financial Services Limited ABN 35 081 812 731 AFSL 243356, a wholly owned subsidiary of MLC Limited, provides integrated superannuation solutions for medium to large Australian corporations. Purpose-built for the era of member investment choice, Plum's philosophy is about providing members with a meaningful education experience to help build their knowledge and understanding of superannuation so that they are empowered to manage their financial future. One of Australia's fastest growing corporate superannuation providers, Plum now administers approximately \$9 billion of committed assets for 82 clients and approximately 128,000 members. More information about Plum is available at www.plum.com.au.

Note: An interest in the Plum Superannuation Fund (Fund) RSE R1056945 is issued by the PFS Nominees Pty Ltd (Trustee) ABN 16 082 026 480, AFSL 243357 RSE L0002912. The Fund administrator is Plum Financial Services Limited (Plum) ABN 35 081 812 731 AFSL 243356. This material has been prepared by Plum and it contains information that is general in nature. The information does not take into account your objectives, financial situation or needs. Before acting on the information you should consider whether it is appropriate having regard to your personal circumstances. Plum recommends that you consider the Fund's Product Disclosure Statement (PDS) before you make any decisions about your superannuation. If you need help in making a decision Plum recommends that you seek advice from a qualified financial planner. Neither Plum, the Trustee, nor any other company in the National Australia Group of companies accepts liability whatsoever for any decision that is made on the basis of or in reliance of the information contained in this material. To obtain a copy of the Fund's PDS please call a Plum Member Services Consultant on **1300 55 7586**. Please note that the information contained in this material is current as at August 2007. Any changes in law or policy have not been incorporated.

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