

1. Decide if you need life insurance

- Do you have children or other people depending on you?
- Does your family need your salary?
- If you couldn't work due to illness or disability, could you cope financially?
- Could you afford medical expenses and care if you were seriously injured?
- Do you have large financial obligations or expenses (like a mortgage or debt)?
- Do you own your own business?

2. Choose a life insurance provider

- Get at least three quotes to compare (online, in person or via phone)
- Can you bundle your life insurance with other insurance?
- Always call up and talk to an insurer if you require more information
- Consider using an online aggregator site ([are aggregator sites all equal?](#))

3. Decide what type of life insurance cover you need

- [Life insurance](#) - pays a lump sum if you die or are diagnosed with a terminal illness
- [Trauma insurance](#) aka critical illness insurance - pays a lump sum if you are diagnosed with an illness on an insurer's pre-determined list (such as cancer, heart attack or stroke)
- [Total and permanent disability insurance](#) - pays a lump sum if you can no longer work due to disability
- [Income protection insurance](#) - provides up to 75% of your income (as a lump sum or periodically) if you can no longer work due to illness or injury
- [Business expenses insurance](#) - takes care of the ongoing expenses of your business if you are unable to work due to injury or illness
- [Funeral insurance](#) - a lump sum to help cover the costs of your funeral

4. Decide what level of cover you require

- Think about the type of insurance you are getting to work out how much money you could need
- Consider using an online calculator to work out the amount to cover for
- Depending on the type of insurance, decide if you want [stepped premiums or level premiums](#)
- Be aware of typical life insurance [policy exclusions](#) (hazardous hobbies such as skydiving; pre-existing medical conditions; suicide; high-risk jobs such as underground mining)
- Understand that if you leave out relevant info your policy will be voided and no money paid

7. Buy your insurance

- Decide on the frequency of your payments
- Make note of when your cover starts and how it will renew
- Read the fine print ([What is a PDS and why you need to read it](#))
- Find something you don't like? Cancel within the [cooling off period](#) (usually 30 days)

8. Review your policy each year prior to renewal

- Have your circumstances changed? (had children, health issues, become responsible for an elderly parent, children have left home, earning more money or have lost a job etc)