



5 key considerations when looking at insurance for professional services

Your job as a professional requires you to apply your expertise to satisfy the requirements of your clientele/patients. Your customers count on you to provide high-quality services and expert guidance. However, despite your best efforts, there's always a chance that something could go wrong. You run the danger of damaging tools and property or injuring your clients. This could put you or your staff at risk of being the target of a costly legal battle or compensation claim.

Therefore, it's crucial to protect your work premises and equipment and your company.

Whatever your area of expertise, it's critical to safeguard yourself against unforeseen expenses with professional services insurance in case something goes wrong.

Whether you're a consultant, accountant, freelancer, architect, or some other professional, here's a list of potential coverage options if you need professional services insurance in Australia (or wherever you are based).

1. Professional Indemnity Insurance

Professional indemnity insurance offers protection against lawsuits filed against a business, its owners, its partners, and its workers. It covers claims made against you related to the performance of your professional activities.

If providing designs, specifications, recommendations, or instructions is part of your job, professional indemnity insurance will protect you. It will help if a client sues you for something you did or advised, causing your customer to suffer financial loss.

2. Cyber Insurance

Ransomware attacks, cybercrime, privacy incidents, data breaches, and other risks can cost professional service organisations a lot of money and reputational damage.

Cybersecurity or cyber insurance is designed to provide coverage during such situations.

3. General Property Insurance

Professionals, like photographers, architects, and engineers, typically bring specialised equipment to and from their business premises and client locations. This can include electronic instruments, mobile phones, top-of-the-line computers, and photographic equipment — which all need to be protected and specified in the policy schedule.

These products can be quite expensive to fix or replace if they are accidentally damaged or stolen. However, with general property insurance, these items can be protected while you're at work or travelling.

4. Building and Contents Insurance

Building and contents coverage includes both the property where you operate or work and the items inside. It protects your commercial property and the goods or items within if they are damaged in a natural disaster, electrical fire, break-in, or other unexpected occurrences.

5. Business Interruption Insurance

Risk is an inherent aspect of business. Structures deteriorate, water tanks leak, and staff members can make costly errors. Unexpected natural disasters like fires, tornadoes, hurricanes, and flash floods can also abruptly close down a business. They can destroy inventory, damage machinery, and even ruin buildings.

When such things happen, it can take months to get your business back up and running. Business interruption insurance ensures you have money to make up for your revenue loss immediately following a forced closure or while your company is unable to run. It covers your operating costs, wages, and net loss, as well as your taxes, electricity bills, and mortgage.

Cover the Bases and Protect Your Business

Ensuring you have professional services coverage is crucial to the survival and longevity of your business. By opting for the various types of insurance mentioned here, you'll be better equipped to deal with unforeseen events that can lead to business losses.

When choosing a professional services insurance package, ask questions and ensure you are clear about what specific items are covered in your policy.

If this article has inspired you to think about your own unique situation and, more importantly, what you and your family are going through right now, please contact your advice professional.

(Feedsy Exclusive)



When should one start thinking

about Estate Planning?

Estate planning is an essential yet often overlooked aspect of financial planning. For many Australians, it is seen as something to be dealt with later in life, if at all.

However, estate planning should begin as early as possible to ensure a smooth and efficient transfer of assets to loved ones and to minimise the financial and emotional burden on them.

As soon as you turn 18 years of age, you can begin estate planning. The next best time to do it is now.

Not sure if estate planning should be your priority? Then read on as this article discusses the reasons early estate planning is crucial, regardless of your age or financial status.

Protect your loved ones

One of the most significant reasons for early estate planning is to protect your family and loved ones.

By drafting a comprehensive will, you can ensure that your assets will be distributed according to your wishes upon your death. This not only prevents potential disputes between family members but also ensures those who depend on you receive financial support.

It's essential to review and update your will regularly, especially after significant life events, such as marriage, divorce, or the birth of a child.

Minimise tax burden

In Australia, inheritance is generally not subject to taxation. However, capital gains tax (CGT) may apply to certain assets that are transferred upon your death.

Early estate planning can help you implement strategies to minimise the potential tax burden for your beneficiaries. For instance, you may choose to distribute assets with a lower CGT liability or utilise superannuation contributions to minimise tax implications.

Avoid a lengthy probate process

When you pass away without a valid will in Australia, your estate will be distributed according to the laws of intestacy. This can result in a lengthy and expensive probate process, which can cause financial and emotional stress for your loved ones.

By having a well-drafted will, you can avoid a complicated probate process and ensure a more efficient distribution of your assets.

Appoint guardians for minor children

If you have minor children, early estate planning is vital to ensure their wellbeing in the event of your death.

By appointing a guardian in your will, you can ensure that your children are cared for by someone you trust, in line with your values and preferences.

Prepare for incapacity

Estate planning is not just about planning for your death; it also involves preparing for the possibility of incapacity.

By establishing an enduring power of attorney (EPA) and an advance care or health directive, you can nominate trusted individuals to make financial and medical decisions on your behalf if you become unable to do so.

These legal documents can provide peace of mind and ensure that your wishes are respected during difficult times.

Begin estate planning now

Regardless of your age or financial status, early estate planning can provide many benefits for you and your loved ones.

If you're unsure about what to do, seek professional advice. Regularly review your estate plan to protect your family, minimise tax liabilities and ensure a smooth and efficient transfer of assets.

Don't wait until it's too late.

If this article has inspired you to think about your own unique situation and, more importantly, what you and your family are going through right now, please contact your advice professional.

This information does not take into account the objectives, financial situation or needs of any person. Before making a decision, you should consider whether it is appropriate in light of your particular objectives, financial situation or needs.

(Feedsy Exclusive)



Essential retirement planning tips and mistakes to sidestep

Whether you're in your 30s, 40s, or 50s, the importance of retirement planning cannot be overstated. Starting early allows you to build a secure financial foundation for your retirement years. However, the strategies and concerns differ based on your life stage. This article outlines the top three retirement planning tips and pitfalls to avoid, ensuring a well-prepared retirement, regardless of your age.

Retirement Planning Tips:

- 1. Tailor Your Strategy to Your Time Horizon:**
At the core of an effective retirement strategy lies your current and anticipated retirement age. The younger you are, the more room you have to take calculated risks due to the longer time frame until retirement. If you're in your 20s or 30s, consider allocating a significant portion of your assets to higher-risk investments like equities. These investments offer the potential for higher returns over the long term. To secure your lifestyle during retirement, it's essential that your investments and savings growth outpace inflation.

However, as you approach retirement, the focus shifts to preserving your capital and ensuring a stable income. This involves reallocating a larger portion of your portfolio into safer investments like bonds. While bonds may not yield the same returns as high-risk investments, they provide stability and income during your retirement years.

- 2. Eliminate Debt as a Priority:**
Many individuals in their 60s and 70s still carry

mortgages, credit card debt, and loans, impacting their retirement dreams. To safeguard your retirement lifestyle, addressing debt is paramount. Begin by paying off high-interest debts like credit card balances and personal loans. If you have a mortgage, aim to clear it before retirement to reduce financial burdens during this phase.

Tackling debt early not only improves your financial standing but also ensures that your retirement income isn't compromised by ongoing repayments.

3. **Invest in Your Health:**

While financial stability is vital for retirement, maintaining good health takes precedence. Your retirement strategy should encompass physical and emotional well-being to ensure a fulfilling retirement.

Incorporate a balanced diet and regular exercise into your routine to stay physically fit. Engage in meaningful activities and set goals to stay mentally stimulated and motivated. Allocating funds for healthcare expenses is also crucial, as medical costs tend to rise with age.

Avoid These Retirement Planning Mistakes:

1. **Delaying Saving and Debt Repayments:**

Postponing saving and debt repayment diminishes the potential benefits of compound interest. Start saving and investing as early as possible to capitalise on the compounding effect over time. Prioritise eliminating high-interest debts to free up resources for retirement savings.

2. **Steering Clear of Get-Rich-Quick Schemes:**

Beware of investment schemes promising unrealistic returns. Ponzi and pyramid scams can lead to substantial financial losses. Stick to established investment options and seek guidance from reputable financial advisors.

3. **Prematurely Accessing Retirement Funds:**

Withdrawing funds from your retirement accounts prematurely can result in penalties and tax implications. Preserve your retirement savings until you reach the appropriate age, and explore alternative options for short-term financial needs.

4. **Overreliance on Social Security:**

Relying solely on social security benefits may not suffice for your retirement needs. Diversify your income sources by considering pensions, investments, and personal savings to ensure financial security.

5. **Neglecting Inflation Consideration:**

Inflation erodes the purchasing power of your money over time. When setting retirement savings goals, factor in the impact of inflation to maintain your desired standard of living.

6. **Failing to Budget for Medical Expenses:**

Health-related costs typically increase with age. To prevent financial strain, incorporate potential medical expenses into your retirement budget.

The journey to a secure retirement demands careful planning at every stage of life. Following these top retirement planning tips and steering clear of common mistakes can set you on the path to financial stability and a fulfilling retirement. Whether you're just starting or reassessing your existing plans, remember that it's never too late to take charge of your retirement strategy.

If this article has inspired you to think about your own unique situation and, more importantly, what you and your family are going through right now, please contact your advice professional.

This information does not take into account the objectives, financial situation or needs of any person. Before making a decision, you should consider whether it is appropriate in light of your particular objectives, financial situation or needs.

(Feedsy Exclusive)

See these stories and more at adviceevolution.feedsynews.com

Disclosure Statement: Advice Evolution Pty Ltd AFS Licence Number 342880. **General Advice Warning:** The information in this communication is provided for information purposes and is of a general nature only. It is not intended to be and does not constitute financial advice or any other advice. Further, the information is not based on your personal objectives, financial situation or needs. You are encouraged to consult a financial planner before making any decision as to how appropriate this information is to your objectives, financial situation and needs. Also, before making a decision, you should consider the relevant Product Disclosure Statement available from your financial planner.

Advice Evolution
adviceevolution.com.au
admin@adviceevolution.com.au