

40+

A guide to life insurance for over 40s

This guide is for customers who are covered by a policy issued by Resolution Life





How life insurance can help you in your 40s

Your 40s are a balancing act. You might be deep into your career, juggling family life and managing financial responsibilities. With so much going on, it's easy for life insurance to fall off the radar. But now's a smart time to think about what you're protecting.

Planning ahead in your 40s can make a real difference. We understand affordability matters, and we're here to help you find the right balance between cost and cover. As your life evolves, your insurance can too - so you can keep pace with your goals and protect what matters most.

Learn more about the benefits of life insurance for those in their 40s.



In 2024, Resolution Life paid out

\$257m to over **1,356 customers**

for life insurance claims which equals

\$714,818 paid every day¹

1. 2024 Resolution Life claims paid Australia.
[Resolution Life claims paid 2024 - Resolution Life](#)

Protecting what matters most in your 40s

Life insurance provides a safety net that protects your family from financial hardship if the unexpected happens.

With a **97.8% acceptance rate** for income protection claims and **98.8%** for death claims in Australia,² Resolution Life offers peace of mind when it matters most. Our claims services go beyond financial support – helping you recover and return to work, whether in your current role or a new one. For trauma claims, we act fast to get funds to you quickly so you can focus on your health and recovery.



Protect your family

The right insurance provides vital financial support if the worst happens – helping cover mortgages, debts, and living costs for your family. It can also protect against unexpected medical bills or the cost of aged care if you're unable to care for yourself due to serious illness or injury.



In 2024, the top reasons for life insurance claims with Resolution Life Australia were cancer (29%) and heart attack, stroke and other circulatory disease (14%)⁴

The average life expectancy in Australia is

81 for males
and

85
for females³

Protect your income

If something happened to you, could your family keep going without your income? Income protection insurance can help you and your family maintain your quality of life if your ability to earn your income is impacted.

The average age of customers lodging income protection claims with Resolution Life Australia is approximately

56 years⁵

2. Acceptance rate for life insurance claims made through a financial adviser. Australian Prudential Regulatory Authority data for the financial year from 1 Jan 2024 to 31 Dec 2024.

moneysmart.gov.au/how-life-insurance-works/life-insurance-claims-comparison-tool

3. Australian Institute of Health and Welfare.

aihw.gov.au/reports/life-expectancy-deaths/deaths-in-australia/contents/summary#life-expectancy

4. 2024 Resolution Life claims paid Australia.

[Resolution Life claims paid 2024 - Resolution Life](#)

5. 2024 Resolution Life Australasia claims statistics

Protecting what matters most in your 40s

Protect your retirement

If you're working hard to pay off the mortgage or build up your retirement savings in your final years of employment, an accident or illness could derail your plans. Life insurance can help protect your financial goals and assist you to achieve the type of retirement you had planned for.

Protect against illness and accidents

Health issues can become more top of mind as we get older. Trauma and total and permanent disability (TPD) insurance can help you pay for things such as out-of-pocket medical expenses, treatment costs, home modifications and rehabilitation expenses.



In 2024, the top reason for trauma insurance claims with Resolution Life Australia was cancer (63%). For TPD claims, the leading reason was mental health disorders.⁷

Leave something behind

Life insurance gives your loved ones financial support when you pass away – covering debts, final expenses, and helping care for children, grandchildren, or elderly parents. It ensures you continue to support those who matter most.

Cover final expenses

Funerals can be costly. Life insurance may offer an advance of up to \$20,000 to help cover funeral and final expenses, easing the financial burden on your family (not available within superannuation arrangements).



The average burial cost in Australia is estimated to be \$11,039⁹

The average age at retirement in Australia has risen from

55 in 2002

to

64 in 2022⁶

An estimated

\$3.5 trillion in assets

will be transferred between generations in Australia by 2050⁸

6. Australian Bureau of Statistics. (2022-23). Retirement and Retirement Intentions, Australia, Graph 3. ABS. abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release.

7. 2024 Resolution Life claims paid Australia. **Resolution Life claims paid 2024 - Resolution Life**

8. Australian Government Productivity Commission, Economic mobility – faring well, but not for all, 2024. pc.gov.au/media-speeches/articles/economic-mobility

9. Australian Seniors: The Cost of Death 2.0 Report, November 2023. seniors.com.au/documents/australian-seniors-series-cost-of-death-report-2023-whitepaper.pdf

The different types of life insurance

Life in your 40s can be complex, and everyone’s needs are different. While no one likes to think about bad things happening in life, it’s important to consider how financially secure you and your family would be if things went wrong. That’s where Resolution Life’s personal insurance products can help protect you and your family.



Life insurance

Life insurance, otherwise known as death cover, provides a lump sum payment if you die or are diagnosed with a terminal illness and have less than 12 months to live (the number of months may vary between products). Life insurance allows you to protect the people who depend on you financially.



For more information about our life insurance products visit resolutionlife.com.au/insurance

Total and permanent disablement insurance (TPD)

TPD provides a lump sum payment if you become totally and permanently disabled because of an injury or sickness.

TPD insurance can be used to fund out of pocket medical expenses and costs associated with a long-term disability, like full-time care or home modifications. It can also be invested to produce an ongoing income stream, to supplement an income protection insurance benefit.

The different types of life insurance

Income protection insurance

Your ability to earn an income is likely to be one of your most valuable assets in life. How long would you be able to sustain your lifestyle and meet your financial commitments without it?

Income protection insurance pays a monthly benefit of up to 70% of your regular income if you're unable to work due to injury or sickness.

You may also be provided additional support services to help you return to work or find a new job, as part of your cover.



Trauma insurance

Trauma insurance (sometimes referred to as critical illness insurance) provides a lump sum payment if you suffer a specific medical condition, as defined in your policy. Some of the more common defined events include cancer (of specific severity), heart attack (of specific severity) and stroke (diagnosed).

Trauma insurance is not available through superannuation.

It provides a lump sum payment that can assist with financial support to help cover:

- The costs of care, and
- recovery associated with specific medical conditions.

The most common causes for Resolution Life Trauma claims in 2024 were

heart attack, stroke and other circulatory diseases (32%)

for males and

breast cancer (45%)

for females¹⁰

10. 2024 Resolution Life claims paid Australia.

Resolution Life claims paid 2024 - Resolution Life

Understanding insurance premiums for over 40s

The cost of your life insurance is likely to change each year and you may wonder why. As one of Australia's largest life insurers, we want to help you understand your premium (how much you pay)

How your life insurance premium works

Your premium payment amount goes into a shared pool of funds that is used to pay claims. The amount you pay depends on your circumstances, the cover and options you've chosen, your premium type (stepped/variable age-stepped or level/variable), and your plan structure (linked or standalone cover).

We adjust premiums based on how likely it is that someone will make a claim. This helps keep things fair for everyone. But if two people have the same details and cover, they'll pay the same amount. Things that can affect your premium include:

- Your age at policy anniversary.
- Gender.
- Smoking status.
- Your medical and general health history and pastimes when you applied.
- Your occupation or hobbies.
- Premium structure and payment frequency you have.
- Your product type and options chosen.
- Your state of residence (for stamp duty purposes).

Why your premium may change each year

Each year we re-calculate your premium and it may change due to several factors including:

- **Age-based increases** – If you're on a stepped or variable age-stepped premium, your cover cost typically increases each year as your risk of claiming rises with age.
- **Inflation (also known as indexation, cost of living, consumer price index [CPI])** – Your sum insured may increase annually to keep up with inflation, which usually raises your premium. These inflation adjustments are optional – you can choose to accept them each year or opt out. Learn more about [inflation adjustments](#) and how to opt out.
- **Stamp Duty** – This charge is set by State or Territory Governments and varies based on your location and type of insurance cover.
- **Product and premium structure** – For example, when eligible cover changes over time due to product design, or if your premium style changes.

Premiums may also change due to updates in the underlying rates used in the calculation.



Understanding insurance premiums for over 40s

Why underlying premium rates may change

We may adjust underlying premiums to keep our products sustainable and able to meet future claims, while staying competitive and affordable. These changes are influenced by factors such as:

- **Cost of paying claims** – Our main cost – and purpose – is paying claims. We must stay financially strong to support customers now and in the future. Claims, especially for income protection and TPD, are rising and lasting longer, with mental health a major factor. We regularly review pricing to ensure premiums coming in can sustainably cover claims going out.
- **Industry-wide challenges** – Factors such as the rising cost of living and number of claims affect all life insurers.
- **Wider economic challenges** – What is happening in the economy can put pressure on insurance premiums, for example interest rate fluctuations and the impact of returns on investments held.

Why level/variable premiums can also change

Level/variable premiums don't increase with age and usually stay the same for each cover layer. However, they can still change for other reasons. Your overall premiums will change if:

- You change the sum insured or change your cover.
- You accept the inflation adjustment increase in cover each year, or
- we review the base premium rates for your product as a whole.

Premiums and related charges can change, regardless of type. If Resolution Life updates base rates, changes apply to all plans of the same type. Level/variable premiums aren't guaranteed and may change based on updated rates. Level/variable premiums are typically not guaranteed, and the underlying base rate can change as detailed above.



Consider before cancelling

It's easy to forget why you took out insurance, and rising premiums might tempt you to cancel.

But doing so could mean losing valuable protection – and it may be hard to get it back. A new policy might require medical checks, and changes in your health or lifestyle could affect your eligibility, condition, cost, or exclusions.



*Before cancelling, speak with a financial adviser or **contact us** to explore your options*

How can Resolution Life help?

If you are entering a new life stage, such as growing your family or have taken on a (new) mortgage, your insurance needs may have changed. Resolution Life offers flexible products and features to help keep your cover relevant and affordable.

Over the next few pages, we'll outline your options.

For personalised advice or a quote, speak with your financial adviser or contact us directly. You may be eligible to use our cover adjustment tool in **My Resolution Life** to find out how much your insurance cover will cost if you make any changes.

Right-sizing your cover for over 40s

It's easy to forget why you took out insurance, but it likely gave you peace of mind – knowing your family would be protected in some of the below ways if something happened to you:

- Help pay off the mortgage.
- Pay outstanding bills.
- Fund your children's education.
- Financial help if you can't earn an income for a period due to sickness or injury.
- Help with out-of-pocket medical costs.
- Provide a lump sum to supplement any reduction in your income due to sickness or injury.

Maintaining your life insurance cover becomes increasingly important as you move through different stages of life. As responsibilities grow and health risks change, having the right protection in place ensures your loved ones are supported when it matters most.

Resolution Life offers flexible products and features to help keep your cover aligned with your needs and budget. Below, we outline your options. **Contact us** or your financial adviser to make changes.

1 Change your cover

Reducing your cover is one way to stay protected while keeping your policy affordable:

- **Reduce how much cover you have** – As life changes, your insurance needs may too. For example, if your mortgage is smaller or your children have finished their education, you might not need as much cover.
- **Increase the waiting period (income protection)** – a waiting period is the time between when you're unable to work due to illness or injury and when income protection benefits begin. If you have leave entitlements like sick or annual leave, they can help bridge this gap. Choosing a longer waiting period – like 60 or 90 days – can reduce your premium.



Right-sizing your cover for over 40s

- **Removing additional options** – your policy may include optional extras – like premium waiver or Life Cover buy back – that add to your cost. Removing options you no longer need can lower your premium, but you'll lose those benefits, will not be able to claim under them and may not be able to add them back later.
- **Restructure your insurance from standalone to linked** – if you have life, TPD, or trauma insurance, you can choose standalone or linked cover. Standalone plans usually cost more, as linked cover reduces the sum insured on other benefits when a claim is made.
- **Opt out of inflation adjustments** – to keep your cover in line with the cost of living, we offer automatic yearly increases – called inflation adjustments – without needing medical details. Your sum insured rises by either a fixed percentage or the increase to the consumer price index (CPI), whichever is higher. As your cover grows, so does your premium.



You can learn more about inflation adjustments at resolutionlife.com.au/inflation. You can opt out for any particular year or permanently, with changes taking effect from the next policy anniversary. Just use our [online form](#) or log in to [My Resolution Life](#) and search for 'inflation adjustment'.

2 Change how you pay

The premium structure or premium frequency you choose on your plan may affect the premium you pay. Reviewing these may help reduce your premium.

- **Change your payment frequency** – most insurance products charge extra if you pay your insurance premiums more frequently than annually. You can request a change of payment frequency within the [My Resolution Life](#) portal.
- **Paying for your insurance premiums through your super** – life, TPD, and income protection insurance can be held inside super, meaning premiums are paid from your super contributions. However, this reduces your retirement savings. A condition of release must be met to access benefits, which can make payouts harder and affect tax treatment.

Right-sizing your cover for over 40s

3 Review your health and pastime loadings

Your smoking status, medical history, pastime and occupation all contribute to how your insurance cost is calculated. If you have changed your occupation to a less manual occupation, stopped smoking, or had an improvement in health and have an existing health loading on your policy, you may be able to apply to have your cover reviewed and reduce your premium.

- **Changing your smoking status** – smoking puts your health at risk – which is why it will impact how much you're paying. If you change from a smoker to a non-smoker status, it may reduce your premiums. If you're not a smoker, check your policy schedule to ensure your smoking status is correct. You can also check your smoking status in the **My Resolution Life** portal.

If you have stopped smoking or using nicotine replacement products and haven't smoked any other substance, including vaping for more than 12 months, and have no illnesses caused or made worse by smoking habits, you can be reassessed as a non-smoker.



Here is the link to the
Digital Non-Smoker Declaration form

- **Has the nature of your work changed to less manual duties** – TPD and IP insurance is generally more expensive for those who have more manual occupations, due to a higher accident/injury risk. If you have moved to an occupation that is less manual, for example, you're now a supervisor rather than on the tools, we may be able to reassess your occupation, subject to underwriting.
- **Request a reassessment of health loadings/exclusions** – for certain medical conditions, a health loading or an exclusion may have been applied to benefits under your policy. A health loading is a percentage increase in the cost of the premium.

If you had health concerns when you originally purchased your insurance - for example, high blood pressure or cholesterol, or you had back or knee pain - which resulted in a loading or exclusion being applied to your benefits, and your health has since improved, we may be able to reassess your health loading, subject to underwriting.

- **Request a reassessment of pastime loading/exclusion** – certain sporting and recreational pastimes, such as football, motor sports and scuba diving are considered risky and may result in a premium loading or exclusion. If you're no longer participating in these types of pastimes, we may be able to remove the loading or exclusion, subject to underwriting.



Review your life insurance checklist

Use this checklist to record your current insurance details, reflect on your needs, and track any changes. Bring it with you if you speak to a financial adviser.

1 What are you covered for?

What type/s of life insurance cover do you have? How much would you or your family receive at claim time?

My current cover includes:

2 Does this meet your current needs?

Would this meet your financial obligations and lifestyle expectation? Consider how much remaining debt you have and how much cover you might need. Is the cover you currently have too much, or not enough? Consider whether you want to reduce or increase how much you're covered for.

My family would receive:

3 Can you continue to afford the same level of cover?

How much are you paying and can you afford this? If not, what changes can you make to your insurance policy to make it more affordable? Refer back to the previous pages in this guide to understand your options.

Changes I want to make:

Getting help from a financial adviser

It's a good idea to speak to a financial adviser before making changes to your insurance. They can assess your personal situation and help you decide what's right. You may already have an adviser who set up your policy. If not, ask family or friends for referrals – they can also share insights on the process and costs. We recommend researching advisers online, checking reviews, and confirming they're accredited.



*Moneysmart's guide on
choosing a financial adviser
can help you chose the right advisor*

Industry associations are another good source to help you find a financial adviser. **The Financial Advice Association of Australia** has an online tool to help you find a financial adviser, allowing you to search by postcode and also specialty, such as insurance.

Updating your insurance

If you've made the decision to update or change your insurance, we can help. There's a few ways you can go about actioning your request:

- 1 Log in to **My Resolution Life** and check whether the change you're requesting can be actioned online. You may be eligible to use our cover adjustment tool to find out how much your insurance cover will cost if you make any changes.
- 2 Speak to your financial adviser – they can make changes to your insurance policy, on your behalf.
- 3 Chat with us online at resolutionlife.com.au – we can help you make changes to your insurance policy.



We're here to help

Visit our ***Insurance Insights*** hub to explore more insurance topics. You can also ***contact us*** or chat with us online at [***resolutionlife.com.au***](https://resolutionlife.com.au).

Please note, that while we can't provide you with personal financial advice, we can help you with factual information and general advice about your Resolution Life product(s). We can also help you implement any product changes you've decided on.

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resolutionlife.com.au

What you need to know

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