

60+

A guide to life insurance for over 60s

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





How life insurance can help you in your 60s

With longer life expectancies and changing retirement trends, life in your 60s isn't what it used to be. You may still be paying off a mortgage, trying to build your retirement savings; or you may be supporting aging parents or adult children.

These days, being 60-plus doesn't necessarily mean you'll have fewer financial commitments. So, while your financial objectives may have shifted over the years, the need to protect your financial future and that of your loved ones still exists.

Learn more about the benefits of life insurance for those in their 60s.



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.
<https://resolutionlife.com.au/resolution-life-claims-paid-2024>

Protecting what matters most in your 60s

While your financial goals may have changed, the need to protect your family and financial future still exists.

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.



The top 2 leading underlying causes of death in Australia are coronary heart disease and dementia³

Protect your income

With more people continuing to work in their 60s, keeping your income protection insurance for longer may help ensure your retirement plans remain on track, if the unexpected were to happen.

Protect your retirement

If you're working hard to pay off your mortgage or grow your retirement savings, an accident or illness could disrupt your plans. Life insurance helps protect the retirement you had planned for.

The average life expectancy in Australia is

81 for males

and

85
for females²

The average age at retirement in Australia has risen from

55 in 2002

and

64 in 2022⁴

2. Life expectancy at birth. Australian Bureau of Statistics. (2021-2023). Life expectancy. ABS.
<https://www.abs.gov.au/statistics/people/population/life-expectancy/latest-release>

3. Australian Institute of Health and Welfare, Deaths in Australia, 2023.
<https://www.aihw.gov.au/reports/life-expectancy-deaths/deaths-in-australia/contents/leading-causes-of-death>

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

Protecting what matters most in your 60s

Protect against illness and accidents

Health issues can become more top of mind as we get older. Total and permanent disability (TPD) insurance can help you pay for things such as medical expenses, treatment costs, home modifications and rehabilitation expenses. Generally, before age 65, TPD (Total and Permanent Disablement) claims are assessed against your ability to work. After age 65, TPD insurance is no longer assessed against your ability to work, but can still offer you protection against significant health impacts.



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 \$11,039⁷

It's estimated that there's around

411,000

people living with dementia in Australia – and

98%

of those are aged over

60⁵

An estimated

\$3.5 trillion
in assets

will be transferred between generations in Australia by 2050⁶

5. Australian Institute of Health and Welfare. (2024). Dementia in Australia, www.aihw.gov.au/reports/dementia/dementia-in-aus/contents/population-health-impacts-of-dementia/prevalence-of-dementia

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

7. 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 60s can be complex, and everyone's needs are different. While it's hard to think about life's challenges, it's important to consider your family's financial security. Resolution Life's personal insurance can help protect what matters most.

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.

Total and permanent disablement insurance (TPD)

TPD insurance pays a lump sum if you're permanently disabled due to illness or injury. Up until age 65, TPD is generally associated with your inability to work again in your own or any occupation. Depending on the type of TPD insurance you have, and particularly for those aged over 65, it may also provide cover if you were unable to do specific activities as part of your daily living, permanent loss of or use of limbs and sight, or significant cognitive impairment.

The lump sum payment can help with medical costs, long-term care, home modifications, or be invested to provide ongoing income.



76%

of all life insurance / death
cover claims we paid in
2024 were for

people over 60⁸

8. 2024 Resolution Life Australasia claims statistics.

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 financial support to help cover:

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



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

Understanding insurance premiums for over 60s

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 when you applied.
- Your occupation.
- 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 is a charge levied 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 60s

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 rises in interest rates 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 otherwise alter your cover.
- You accept the inflation adjustment increase in cover each year, or
- if we review the 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



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're entering a new life stage – like nearing retirement or paying off your 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 60s

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 or grandchildren's education.
- Financial help if you can't earn an income due to sickness or injury.
- Help with out-of-pocket medical costs.

Now that you're in your 60s, you might feel life, TPD, income protection or trauma insurance is less relevant – but having a financial safety net may be more important than ever.

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 or adjusting 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.
- **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'.

- **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 60s

- **Reduce the benefit period (income protection)** – a benefit period is the maximum length of time your income protection payments are paid while you're disabled. As your financial needs change, you may not need the same length of cover. Reducing your benefit period can lower your premium. For example:
 - Moving from a Lifetime benefit to an aged 65 benefit period.
 - Reducing your benefit period from an aged 70 benefit to a 2- or 5-year benefit period*.

*2- and 5-year benefit payment periods only pay up to age 65. For example, if you have a 5-year benefit payment period and claim at age 63, the maximum period you'll be paid is 2 years.
- **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.



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 the benefits, which can make payouts harder and affect your tax treatment.

Right-sizing your cover for over 60s

3 Review your health and pastime loadings

Your smoking status, medical history, pastime and occupation affect your insurance costs. If you've stopped smoking, changed to a less manual job, or your health has improved, you may be able to review your policy and reduce your premium.

- **Changing your smoking status** – Smoking puts your health at risk – which is why it will impact the amount of your premiums. 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 your smoking habits, you can apply to 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 are 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.

Assess your current situation

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? Is it 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 choose the right adviser*

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
- 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**.

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.

133 731
resolutionlife.com.au

What you need to know

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