

What is Trauma Insurance?

Trauma insurance pays you a lump sum on the diagnosis of a specified non-pre-existing illness or injury, such as heart attack, stroke, cancer, and paraplegia.

'Would your family be able to maintain their lifestyle if you suffered a serious illness and, while unable to work, faced substantial medical and rehabilitation expenses?'

If your answer is no, you should consider adequate risk cover – i.e. transferring the financial risk to an insurance company.

Your financial adviser can help you calculate how much trauma insurance you would need to safeguard you and your family in the event something should happen to you or your spouse. Your adviser can also obtain competitive quotes that are tailored to you and your individual situation.

What is trauma insurance typically used for?

If you become seriously ill, a trauma insurance payout can help cover costs that you may not be able to afford otherwise, such as:

- medical treatment, pharmaceutical items, specialised therapies and rehabilitation costs that are not covered by your health fund
- modifications to your home arising from the disability (e.g. replacing stairs with ramps)
- additional disposable income
- paying for extended time off work (so you can fully recover before you return to work).

'Standalone' or 'linked' policy?

You can choose a standalone trauma policy or a trauma policy that is linked to your life insurance policy.

A linked policy is generally cheaper than a standalone policy.

With standalone cover, if you make a claim, other insurance cover you have with the insurer won't be affected.

With linked cover, if you make a trauma claim there may be an equivalent reduction in your linked life insurance benefit.

Caution on policy definitions

You should choose a policy which defines 'trauma' in a way which suits you.

Some policies cover a broader range of medical conditions than other policies. And some policies pay out in the early stages of illness while others wait until later before they pay out.

Choice of premium options

'Stepped' premiums increase each year in line with your age. 'Level' premiums generally remain constant until you're 65, depending on which 'level' premium option you have selected, at which point they convert to 'Stepped'.

In other words, 'Stepped' premiums are more affordable in the early years, while 'Level' premiums tend to be more affordable in the later years (before they convert to 'stepped').

Did you know?

138,000	In 2018, an estimated 138,000 new cases of cancer will be diagnosed in Australia, with that number set to rise to 150,000 by 2020 ¹
69%	69% of cancer patients in Australia will survive more than five years after diagnosis ²
65%	65% of stroke survivors suffer a disability which impedes their ability to carry out daily living activities unassisted. ³
475,000	In 2017, more than 475,000 people are estimated to be living with the effects of stroke. This is predicted to increase to one million by 2050 ³
\$5 billion	Strokes cost Australians an estimated \$5 billion every year ³

How do the insurance companies view you as a risk?

Some insurance companies may charge you significantly less than other companies for the same cover, simply because they see you – or your occupation – as a lower risk.

You should use the specialist services of a financial adviser who can find the most cost effective and appropriate cover, tailored to your individual needs.



Case Study

John and Lisa have three children and a mortgage. John is employed, Lisa is a stay-at-home mother.

Despite the fact that John has income protection insurance, the couple is concerned that should John suffer a serious illness, the family could be in trouble financially.

John seeks advice and his adviser takes him through the gaps he and Lisa have to be able to cover significant medical and associated costs should he suffer a trauma.

His cover should also allow for the repayment of their debt as well as to top up the payments he would receive from his income protection policy.

It is also recommended that Lisa takes out trauma insurance.

¹ Cancer Council Australia (2018) Facts and Figures <https://www.cancer.org.au/about-cancer/what-is-cancer/facts-and-figures.html> viewed December 2018.

² Cancer Council Australia (2011) Facts and Figures <https://www.cancer.org.au/about-cancer/what-is-cancer/facts-and-figures.html> viewed December 2018.

³ Stroke Foundation (2018) Facts and figures about stroke <https://strokefoundation.org.au/About-Stroke/Facts-and-figures-about-stroke> Viewed December 2018.

*If you have certain pre-existing conditions, you may not be able to obtain trauma insurance.

Our services



Health

- Health insurance
- Overseas visitors cover
- Dental services
- Chronic disease management
- Hospital in the home



Wealth

- Investments
- Estate planning
- Trust and estate administration services
- Financial planning
- Investment, education and funeral bonds
- Banking and home loans
- General insurance



Living

- Aged care and accommodation
- Personal and business insurance
- Aboriginal home care
- Disability services
- Retirement communities