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"It won't happen to me..." Maybe you're right. Maybe bad things only happen to other people. But that doesn't mean you want to risk being caught unprepared – and uninsured.

Some sobering facts

- The risk of being diagnosed with cancer before the age of 85 will be 1 in 2 for males and 1 in 3 for females.
- Hospital emergency departments in Australia dealt with 6.7 million incidents in 2012/13
- There were 9.4 million hospital admissions in Australia in 2012/13

What is trauma insurance?

Trauma insurance, also known as critical illness insurance, provides a lump sum benefit in the event that the life insured suffers a "critical condition" as defined by the insurance provider. Trauma insurance is designed to help you recover financially from a trauma or crisis, such as a heart attack, stroke, cancer or other life threatening conditions.

Factors to consider:

- You should ensure your insurance cover is adequate for your needs. Under-insurance can present a serious problem.
- Critical illness cover is generally not held within super. However this insurance type may be connected with other insurances that are held in super, which can reduce the administration and costs of implementing the insurances via separate policies.
- Workers compensation only covers work related injuries. Further, it sets limits on the total payouts and a strict criteria on claims.

Medicare and private health insurance do not cover all the costs. Health cover may be limited in the choice and flexibility of treatments. It often does not cover hospital and treatment expenses in full, and some conditions aren't covered at all. Out of pocket expenses such as the cost of a carer and rehabilitation expenses aren't covered, nor is the income lost from time off work. Similarly, Government allowances and benefits often don't go very far in covering you against all the costs involved in a major accident or serious illness.

How can trauma insurance help you protect your family's future?

Trauma insurance pays you a tax-free lump sum for a range of specified life-threatening illnesses or injuries.

There are no restrictions on how the payment is spent. It can be used to cover out of pocket expenses such as:

- rehabilitation and recovery costs
- refitting your home or relocating to more suitable accommodation
- paying off outstanding debts or providing an ongoing income, or
- a professional carer, or enabling your partner or family to reduce their working hours to look after you.

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1. Cancer in Australia: an overview 2012, Australian Institute of Health and Welfare 2012
 2. Australian hospital statistics 2012 – 13, AIHW, October 2013
 3. Australian hospital statistics 2012 – 13, AIHW, April 2014

Ask your Apt Wealth Partners financial adviser for more information.

Disclaimer

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