

GUARD your financial wellbeing - LIFE INSURANCE

Until you experience a serious injury or illness, it's very easy to think that it'll never happen to you.

However there are a lot of complications involved in suffering an injury or illness, or seeing someone close to you experience this misfortune.

Financial worries should be the last thing on your mind as you concentrate on improving your health, however you will eventually need to make some decisions regarding your finances and here are our tips for coping with injury and illness.

Choosing the right health cover

Some people swear by private health cover as it can provide you with more power of your choice of doctor, access to private hospitals and shorter waiting periods for elective surgery. If you can afford private cover and are considering taking it up, be careful to read the terms and conditions associated with your cover before agreeing to it and ensure you're aware of all of the exclusions listed under the cover. As an example, if physiotherapy cover is something you think you may require, ensure it is not excluded from your chosen health cover option or choose an alternative health care fund. For more information on health insurance, please speak to your healthcare provider or financial planner.

Rebates

Many Australians paying premiums for private health care cover are eligible for a 30% rebate on the cost of their premiums from the Federal Government. You can claim your rebate by registering with your health fund when applying for cover, make a claim for a one off payment at a Medicare office near you or claim the rebate in your annual tax return.

The Government also offers a rebate for some out of pocket medical expenses, known as the Medical expenses tax offset. You can claim this rebate on your own expenses or the medical expenses you've incurred on behalf of your spouse, your children and your invalid relatives.

For more information on these rebates, speak with your financial planner, visit www.ato.gov.au or phone the Government's Aged and Community Care InfoLine on 1800 500 853.

Insurance cover

Life insurance can provide you with a degree of security in times of injury and illness and many insurers provide life insurance to people aged up to 75 years.

Not only will life insurance give you peace of mind over the control of your assets, but many life insurance policies will provide you with some of your life insurance entitlement if:

- you are injured
- you are diagnosed as terminally ill
- you suffer a trauma such as a stroke, heart attack or are diagnosed with a degenerative disorder such as Parkinson's disease or Multiple Sclerosis.

(Please note, you will need to be covered by a life insurance policy that offers 'trauma insurance' to receive this benefit).

It is important that when you make any application for insurance that your responses to the insurer's questions are very clear and truthful. Expanding on your answers and clarifying your statements will improve your chances of receiving an insurance payout should you ever need to make an insurance claim.

Making an insurance claim

You may need to fill in a number of forms to make an insurance claim and provide a number of documents to your insurer.

Don't hesitate to contact your insurer if you have any queries while you're completing these forms – providing the correct information in your initial application is likely to save you and your insurer time while they process your application. If you're facing financial hardship, mention this in your initial claim as your insurer will then know to treat your claim as a priority. Above all, request the help of your financial adviser when making a claim. They have experience in claims management and in dealing with insurance companies.

Once they've received your insurance claim, insurers are required to decide on your claim and notify you of the result of your claim within 10 days of receiving all of the material that they require from you. If your claim is denied, you must be given a reason for the denial and either referred to another insurer or the industry ombudsman.

Accessing your assets

When medical costs start weighing you down, you may want to consider accessing some of the value of your assets. Consider downsizing to a smaller home, drawing on any investments you have and accessing any superannuation or annuity and allocated pension funds available to you.

Once again, seek the assistance of your financial planner for information on the best approach for you. They will be able to advise you on the most appropriate way for you to proceed.

Organise your affairs

There is no time like the present to conduct a few unpleasant, but necessary, tasks such as creating or updating your will and discussing your wishes for your future with your family and friends. A little time committed to these tasks now will be greatly appreciated by your family and friends should you become very seriously ill or injured.

Source: Zurich Financial Services Australia, March 2011