

TRAUMA (CRITICAL ILLNESS) INSURANCE

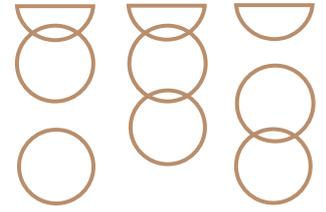
Trauma insurance provides a safeguard by offering a lump-sum payment in the event you experience a significant illness or injury, such as cancer, a heart attack, or a stroke.



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Disclaimer: The information in this document is of a general nature and does not take into account your own financial objectives, circumstances or needs. You should consider your own personal situation and requirements before making a decision.

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Benefits

Determining your individual protection needs and required coverage is crucial. Trauma insurance offers a lump-sum payout that can be utilised for various purposes, including:

1. Covering your medical treatment and care expenses.
2. Accessing a comprehensive range of rehabilitation services.
3. Alleviating financial stress by reducing existing debts.
4. Allowing your spouse to take time off work to support you or care for children.
5. Hiring caregivers, nannies, or household help.
6. Bridging the income protection coverage gap.
7. Providing flexibility to adjust your lifestyle or spend more time with your family.

Without insurance, you and your family or dependents may be forced to deplete savings, sell assets, or rely on family assistance or government support (e.g., Centrelink). Maintaining your standard of living or covering necessary care and medical expenses may become challenging, adding extra stress to your recovery process.

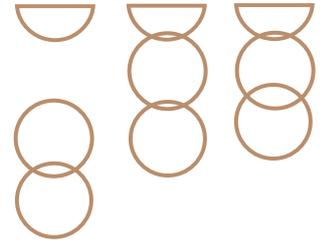
How it works

WHAT CONDITIONS ARE COVERED?

The specific covered conditions may vary among insurers but typically encompass:

1. Cancer
2. Heart conditions, including heart attacks and coronary artery bypass surgery
3. Neurological conditions, such as multiple sclerosis and stroke
4. Permanent conditions like blindness and limb loss
5. Organ disorders, including chronic kidney disease and major organ transplants
6. Blood disorders, including aplastic anaemia and medically acquired HIV

For a successful trauma insurance claim, the diagnosis must meet the condition's definition as outlined in the insurance contract. For example, merely being diagnosed with cancer is insufficient; it must align with the specified type and severity criteria.



STAND-ALONE TRAUMA COVERAGE: You can purchase Trauma insurance as a stand-alone policy that exclusively provides trauma coverage, excluding death or total and permanent disability (TPD) coverage. These policies typically have a "survival period," and no benefits are paid if you do not survive this period.

LINKED TRAUMA COVERAGE: Alternatively, you can choose to link your trauma coverage to your death or TPD insurance. In linked policies, making a Trauma claim results in a reduction in other coverage levels by the paid amount. This linkage can reduce the overall cost of your trauma insurance. Most policies include "buy-back" options to restore the reduced coverage amount after a specific period.

CHILD TRAUMA COVERAGE: Child Trauma coverage can be added to your policy to provide a lump-sum payment in case your child experiences a severe illness during their childhood. This financial support can help cover medical expenses and allow you to take time off work to care for your child.

Policy Ownership

Typically, Trauma insurance is owned in your name, and the premium is not tax deductible. Successful claims result in tax-free lump-sum payments directly to you. Trauma insurance is not available through superannuation.

Key Considerations

To be eligible for a trauma benefit, you must not suffer from certain conditions within a specific period (usually three months) from the policy's commencement date, or you must fully disclose the required information. Always carefully review the Product Disclosure Statement (PDS) and policy document for your chosen insurance policy and keep these documents in a secure location.

References

You may wish to refer to the following websites for further information about trauma insurance:

- www.moneysmart.gov.au
- www.ato.gov.au