

# Trauma Insurance



**MULCAHY & CO**

Helping committed clients achieve and maintain financial security.

## WHAT IS TRAUMA INSURANCE?

**Trauma Insurance** provides a lump sum on the diagnosis of a medical condition. The number of conditions you are covered for will vary on the policy you have.

**Worldwide protection** is also offered by insurers which will cover you anytime, anywhere in the world.

## WHY DO YOU NEED TRAUMA INSURANCE?

Quite often the case when you are diagnosed with a trauma condition, ongoing medical costs are regularly and can cause significant financial hardship for those affected – particularly those with young families or mortgages and other repayments to make. Trauma Insurance aims to cover those medical costs that aren't covered by health cover and replace any lost income that may come as a result of your condition.

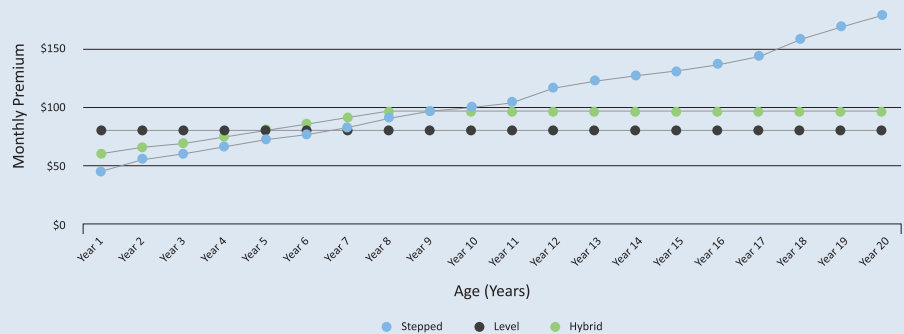
## HOW MANY INSURERS ARE OUT THERE?

There are over 50 Insurers within Australia for which we have access to all of them in order to find you the best policy to meet your needs.

## PREMIUM STRUCTURE

Premiums are usually paid in 1 of the 3 following ways – either a stepped premium which increases each year. A level premium which consists of a consistent payment each year typically to the age of 65 to counteract the perceived risk which increases alongside your age. The third option is a hybrid premium which is only available through a small number of insurers and combines both the level and stepped premiums.

The table below from shows the difference in premiums paid over time between the 3.



- The stepped premium continues to increase each policy anniversary date due to becoming a year older and ultimately closer to your date of death and more likely to suffer an injury or illness.
- The level premium is initially dearer although remains the same year in year out (minus CPI increases that you can decline if desired).
- The level premium is a hedge against inflation.
- Considering the level premium remains constant this of benefit for cash flow purposes.
- By opting for the level premium, you will lock in the premium rate until age 65.
- Generally, the level premium option will work in your favour from a cost analysis if you intend on owning the cover for an extended period of time

The table below shows recent Trauma Insurance claims paid out:

Sex	Age	Occupation	Years in-force	Sum Insured	Cause of claim
Male	45 years	CEO	6 years	\$2,320,000	Non-Hodgkin's Lymphoma
Female	42 years	Driver- Mining Industry	3 years	\$206,000	Multiple Sclerosis
Male	37 years	Roof Tiler	5 months	\$100,000	Cardiomyopathy
Male	49 years	Chiropractor	11 years	\$957,000	Prostate Cancer
Female	55 years	Catering	4 years	\$106,000	Loss of limb

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## CONDITIONS COVERED

Some common conditions covered are listed but not limited to the following:

Type of payment	Benefit (Provides a benefit if you suffer from one of the following trauma events):		
<b>Full Payment</b>	<ul style="list-style-type: none"> <li>Advanced diabetes</li> <li>Alzheimer's disease and other dementias</li> <li>Aplastic anaemia</li> <li>Benign brain tumour</li> <li>Blindness</li> <li>Cancer</li> <li>Cardiac arrest</li> <li>Cardiomyopathy</li> <li>Chronic kidney failure</li> <li>Chronic liver disease</li> <li>Coma</li> <li>Coronary artery bypass surgery</li> <li>Deafness</li> <li>Diplegia</li> </ul>	<ul style="list-style-type: none"> <li>Encephalitis</li> <li>Heart attack</li> <li>Heart valve surgery</li> <li>Hemiplegia</li> <li>Loss of capacity for independent living</li> <li>Loss of limbs</li> <li>Loss of limbs and sight</li> <li>Loss of speech</li> <li>Lung disease</li> <li>Major head injury</li> <li>Major organ transplant</li> <li>Medically acquired HIV infection</li> <li>Motor neurone disease</li> <li>Multiple sclerosis</li> </ul>	<ul style="list-style-type: none"> <li>Muscular dystrophy</li> <li>Occupationally acquired HIV infection</li> <li>Paraplegia</li> <li>Parkinson's disease</li> <li>Pneumonectomy</li> <li>Primary pulmonary hypertension</li> <li>Quadriplegia (also defined as tetraplegia)</li> <li>Severe burns</li> <li>Severe rheumatoid arthritis</li> <li>Stroke</li> <li>Surgery of the aorta</li> <li>Triple vessel angioplasty</li> </ul>
<b>Partial payment</b>	<ul style="list-style-type: none"> <li>Adult insulin dependent diabetes</li> <li>Angioplasty</li> </ul>	<ul style="list-style-type: none"> <li>Blindness</li> <li>Heart attack (other)</li> </ul>	<ul style="list-style-type: none"> <li>Medical condition requiring life support</li> <li>Deafness</li> </ul>

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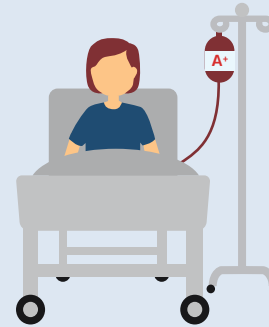


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## FAMILY PROTECTION

Families can often choose a family protection option which will pay a lump sum in the event your child suffers a trauma/ crisis condition listed by your insurer. To be eligible to become insured under this benefit most of the time your child will need to be between 2 and 15 years old.



## STATS IN REGARDS TO CLAIMING

Statistics showing the amount paid out and how many claims were paid out in the 2016 year can be found below:

Totals paid by product:

Product:	Term	TPD	Trauma	IP/BEX	Total
\$ Paid	4,050,608,290	1,720,887,618	784,112,922	2,649,308,406	9,204,917,236
Number of claims	24,079	16,073	4,309	63,580	108,041

Totals paid by product:

	Term	TPD	Trauma	IP/BEX	Total Per Day
Average \$ per working day	16,202,433	6,883,550	3,136,452	N/A	26,222,435
Average number per working day	96	64	17	N/A	177



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## FS360 - What does being financially secure mean?

It means assessing your personal and business goals and developing a plan to achieve these.

We have identified **12 key areas** to help you become financially secure:

- 1. Goals & objectives**
- 2. Estate plan**
- 3. Risk plan**
- 4. Asset protection plan**
- 5. Taxation plan**
- 6. Debt plan**
- 7. Retirement and succession plan**
- 8. Business plan**
- 9. IT Plan**
- 10. Marketing Plan**
- 11. Superannuation plan**
- 12. Investment plan**

Setting goals and objectives and having strategies to achieve these is an essential element of becoming financially secure. Once you know what you are aiming to achieve and how you are going to get there, we then need to make sure you have a strong foundation in place to protect you, your family and other investments.

A strong foundation needs an estate plan, risk plan, asset protection plan, taxation plan and debt plan. With the foundations in place we can then work on the strategies to achieve your goals and objectives.

It may seem out of order that we have the retirement and succession plan at number 7 rather than 12. It is important that this is considered early and a plan is put in place. This assists to plan for this financially as well as keeping the communication lines open on the topic.

## 12 Steps to becoming Financially Secure

### 1. GOALS AND OBJECTIVES

Picture yourself in 10 years time... Where do you want to be? How are you going to get there? Being clear on your goals & objectives ensures you can develop a strategy to achieve them.

### 2. ESTATE PLAN

“What will happen when I’m gone?” Only assets owned in your name are covered by your will. Your Estate Plan protects your family from the potential threats that your Will does not.

### 3. RISK PLAN

Your Risk Plan addresses whether you need to save or insure to protect your family’s financial security in the event of an injury, accident or death.

### 4. ASSET PROTECTION PLAN

An Asset Protection Plan makes sure your assets are owned in the right names or entities so you limit the risk of them being exposed to creditors.

### 5. TAXATION PLAN

A Taxation Plan structures your affairs so that you legally pay the least amount of tax and retain more of your income.

### 6. DEBT PLAN

A Debt Plan ensures your assets aren’t over exposed to debt and structures your debt to maximise tax deductibility of the interest.

### 7. RETIREMENT PLAN

Retirement is setting the date when you can choose to stop work. Your Retirement Plan details the income and assets you need (in addition to superannuation) to retire and outlines the steps to get there.

### 8. BUSINESS PLAN

Your business value is the one asset or investment that you have full control over. How does the business cashflow, profitability and end value fit with your overall plan? Review the 10 characteristics of what makes a great business to help your business reach it’s full potential.

### 9. I.T. PLAN

Your data, your email, your devices – they play a key role in the smooth running of your business. Backups, workflow and ongoing maintenance of technology can be a game changer.

### 10. MARKETING PLAN

Promoting your business to potential clients has many working parts. Generating enquiry and building your brand is key to your business success.

### 11. SUPERANNUATION PLAN

Many people miss out on the enormous tax benefits of superannuation. A Superannuation Plan will ensure you have a strategy to produce greater wealth at retirement.

### 12. INVESTMENT PLAN

An Investment Plan will increase your asset base, while focusing on preserving your capital and managing your risks, to meet your personal and financial goals.

**We offer a free no obligation meeting to review your situation. Call us today on 1300 204 781 and take advantage of this valuable offer.**

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