

# It won't happen to me

Protection against premature death, unexpected illness, injury or disability

## Expecting the unexpected

Unexpected events can happen to us all, so ensuring these are covered in a holistic financial plan is smart for yourself and your family. As a first step, it's important to recognise that unexpected events can and do occur. 'It won't happen to me' is a hope many of us have. So let's look at how Australians have fared over the last few years.



**20%**

of Australians have some form of disability



**1.2 million**

Australians were hospitalised for cardio-vascular disease in 2017-18



**33%**

of Australian men will be diagnosed with a malignant cancer before age 75



**25%**

of Australian women will be diagnosed with a malignant cancer before age 75



**145,000**

new cancer cases are estimated to be diagnosed each year

Source: Australian Institute of Health & Welfare, 2020

**A key part of holistic financial well-being is having financial assurance for yourself and your family should the unexpected occur. Without contingencies proactively put in place, events such as a critical illness, death, injury or disability will have a significant impact on your finances.**

## Smart planning protects you and your family

Should you pass away prematurely, or suffer a critical illness or injury, your ability to support your family and service your mortgage will be impacted.

### Our plans at a glance

#### Disability & Injury Protection Plan

Receive financial protection in the event of disability or injury that impacts your ability to work.

#### Critical Illness Protection Plan

Receive financial protection in the event of a critical illness or trauma diagnosis.

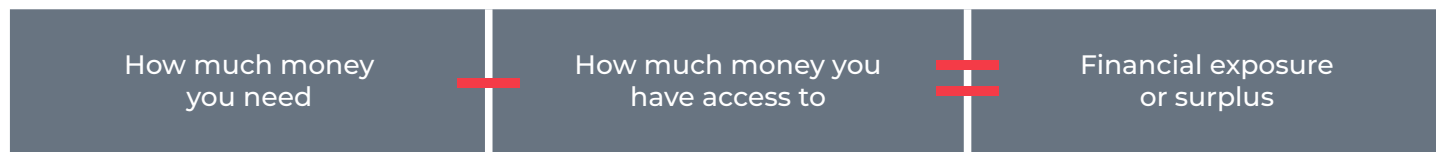
#### Life Protection Plan

Help ensure there is sufficient money to support your beneficiaries in the event of death.

1. Budgeting for adversity
2. Choosing insurance
3. Applying for cover
4. Staying up to date
5. Claiming with confidence

# 1. Budgeting for adversity

Adversity can strike us unexpectedly. However, with some simple budgeting, the financial impacts on you and your family can be managed and minimised.



Determining how much insurance to take out is crucial. Too little will expose you to significant financial stress, while too much will mean you're paying unnecessary premiums.

That's why we work closely with clients to identify key one-off or ongoing expenses. Here are some examples:

## Lump sum items required



Debts



Medical expenses



Home and vehicle alterations

## Ongoing items required



Living expenses



Medical expenses



Education costs



Childcare costs



Domestic assistance

# 2. Choosing insurance

Whether it is for death, disability or critical illness, there are a wide range of policies offered by a multitude of insurers. And while many look similar, they can vary significantly – so choosing the most appropriate can be difficult.

## Types of insurance

For comprehensive and cost-effective protection for yourself and your family, you may need a combination of policies. Care must be given to ensure there is no overlap so you are not over-insured unnecessarily.



Life

The most common type of insurance cover is term life insurance, which provides a lump sum benefit to the policy owner in the event of death of the person who is insured. This cover financially protects families and/or businesses from the financial challenges arising from death and can provide important peace of mind and security during difficult times.

**97% of claims paid. Cancer was number one cause of death claims for men (39%) and women (61%).**



Total and permanent disability (TPD)

TPD insurance will provide a lump sum payment should you suffer an illness or injury which causes permanent disability. TPD is often defined by the level of disability you have to suffer before the insurer will pay (that is, own occupation versus any occupation).

**90% of claims paid. Mental health was number one cause of claims for men (24%) and women (27%).**



Trauma

Provides a lump sum benefit on diagnosis of a defined specified event.

**86% of claims paid. Cancer was number one cause of claims at 58%.**



Income protection

Provides a regular income during a period of disablement or illness, up to a pre-determined and agreed benefit period.

**95% of claims paid. Accidents were the number one cause of claims for men (38%) and women (28%).**

Source: FSC-KPMG life insurance data project and APRA life Insurance claims and disputes statistics, 2019.

## Selecting right insurance policies

When recommending the right insurance policy, we check that the insurer:

Provides leading insurance products	Has strong internal processes to assess risk and price their policies accordingly	Has enough capital set aside to meet their claims obligations	Has a reputable claims history with a good record of assessing and paying claims
-------------------------------------	---	---	--

Insurance terminology can be confusing or sound similar, yet all terms have can provide more generous inclusions, increasing the likelihood of payment insurance researchers to compare and rate each definition based on the policies that have higher rated definitions should be preferred over the poorer

**specific**

meanings. Some terms on a claim. We use leading likelihood of payment. Those rated ones.

## Funding your insurance and premium structure

There are a number of ownership structures, funding arrangements and premium structures available to fund personal risk protection, which can help you save money on premiums.



### Ownership structures

#### Individual ownership

Having the policy owned under your name is the simplest.

#### Superannuation

A cost-effective option for certain types of insurance with reduced impact on cashflow.

#### Group insurance

A group scheme is one funding option which may not require any medical underwriting.

#### Employer sponsored

A cost-effective way to fund cover employees.



### Premium structures

#### Stepped premiums

These premiums start out being lower but increase significantly over time, sometimes at an exponential rate.

#### Level premiums

These premiums start out being higher but remain relatively stable over time.

The choice between stepped versus level premiums depends on whether you want to save in the short-term or the long term. We work with our clients to determine which one is more appropriate for them based on their specific circumstances and long term goals. A useful approach is to compare the premium costs over 5 to 10-year time-frames.



Angela\* took out a trauma policy in 1997 to give her some financial protection in the event she is diagnosed with particular illnesses or conditions. In 2016, she had this policy reviewed by a financial adviser.

As part of the review, the financial adviser looked into the quality of the definitions of her trauma policy. The existing policy required her doctor to recommend a total mastectomy in the event of breast cancer for a claim to be successful.

This definition was too strict so the adviser suggested an alternative policy that had a more generous definition. With the new policy, she only needed the doctor to perform surgery with follow up radiation treatment and chemotherapy for a successful claim.

Within 4 months of switching policies, Angela was diagnosed with breast cancer.

Her doctor conducted keyhole surgery with follow-up radiation treatment, a much less invasive treatment than a total mastectomy. She was able to claim under the new policy and was paid \$267,000 by the insurer. Had she stayed with the previous insurer, her claim would have been denied since she did not have a total mastectomy.

\* Name changed for privacy reasons.

### 3. Applying for cover

Applying for cover can sometimes be a bit overwhelming. There are many forms to complete, very intrusive questions to answer and doing medicals. If you work in a dangerous occupation, not in good health or participate in dangerous hobbies, you may have trouble obtaining cover.

We can assist with this process by guiding you through the insurer's requirements. At times, we can negotiate with the underwriters on your behalf to obtain better terms or remove any loadings or exclusions after a period of time.

### 4. Staying up to date

Whether it's due to a growing family, taking on more debts or increased wealth through investments, your exposure to unexpected events will change over time.

Your insurance cover needs to be reviewed and adjusted over time to meet your changing financial exposure and circumstances. Likewise, your insurance policies and terms may no longer be competitive versus what is available in the market so its good to check and compare.

### 5. Claiming with confidence

Experiencing an illness, injury or disability can be distressing both physically and emotionally. As such, the process of lodging an insurance claim is usually done in an environment of heightened anxiety.

With our extensive insurance experience and knowledge of the insurers, we make this process easy for our clients. We can provide initial feedback on your eligibility to make a claim. If you are eligible, we can assist with completing the relevant forms and follow up with the insurers to check on their progress with the claim. If required, we also assist with claims advocacy, in the event the insurer denies a claim or delays the payment.

---

## Get in touch with Tribel

Contacting Tribel is easy. Call to speak to one of our advisors, or you can email us of find more information on our website.



1300 342 923



info@tribel.com.au



tribeladvisory.com.au

**tribel**  
advisory

Level 7, 72 Pitt Street, Sydney NSW 2000  
GPO Box 4412, Sydney NSW 2000  
ABN 66 630 601 688

Authorised Representative of Count Financial Limited ABN 19 001  
974 625 AFSL No. 227232  
© Tribel 2020.

## Financial wellness first

At Tribel, it's our mission to deliver holistic wellbeing for our tribe – our clients and their families – by partnering with them throughout their financial journeys.

We're a national team of financial advisors and planners with over 15,000 clients and funds under advice of over \$1 billion.

For individuals, we provide cashflow management, debt management, risk management, wealth creation, retirement planning and estate planning. For businesses, we provide business ownership protection, key person protection and employee protection services.

Located in Sydney, Brisbane, Melbourne, Perth, Adelaide, Newcastle, Bathurst and Mackay, we're proud to service individuals, SME overs, Corporate and Associations right across the country.

#### General Advice Disclaimer

All of the content herein is for information purposes only and does not constitute advice. This information is of a general nature only and has been provided without taking account of your objectives, financial situation or needs. Because of this, we recommend you consider, with or without the assistance of a Financial Adviser, whether the information is appropriate in light of your particular needs and circumstances.