

Do I need health and life insurance?

Both health and life insurance can seem complicated. We look at the differences and the value of having the protection of both.

What is health insurance?

Health Insurance is a personal insurance that helps cover the costs of medical care. The right health insurance product can protect you against a range of medical costs and surgical expenses. This might include emergency requirements - like stays in private hospitals, ambulance services and time spent in intensive care - or more everyday health expenses, like optical, dental or chiropractor appointments.

If you live in Australia, you're likely to be benefitting from Medicare, meaning that many of your health costs are already accounted for. However, health insurance may provide you with more cover and allow you to choose from a broader range of care options – sometimes resulting in faster treatment as a private patient.

Are health insurance and life insurance different?

Health insurance and life insurance can work together to protect you across a range of scenarios.

Health insurance can help cover the cost of treatments for specific health conditions, with payments most often going directly to the healthcare service.

With life insurance, payments are made directly to you, or to your nominated

beneficiary. This means you get to choose how to spend your money and prioritise the expenses as you see fit.

Perhaps, confusingly life insurance is both the name of an individual product as well as the overarching term for a category of different types of life insurance, some of which don't necessarily only pay out when you die. The types of life insurance that can include living benefits include critical illness, total and permanent disability and income protection. Here's a quick overview of what each of these are:

Critical Illness:

In the event you're diagnosed with a serious medical condition or illness Critical illness cover can provide a lump sum payment that gives you the freedom to manage your expenses as you see fit.

Income Protection:

Income Protection gives you an alternative source of income if you are temporarily unable to work due to an illness or injury that has left you Totally Disabled or Partially Disabled.

Total Permanent Disability (TPD):

TPD insurance can provide a lump sum payment if you were to become permanently disabled due to accident or illness, and are unlikely to ever be able to work again.

An example of the way health insurance and different types of life insurance can work together is in the instance where an individual is diagnosed with cancer, and due to treatment and recovery, is unable to work for a number of months. In this circumstance, depending on your level of cover, health insurance could cover certain treatment costs, such as hospital stays or chemotherapy. While a lump sum critical illness pay out could help make up for the lost income and help cover family living expenses, or even be used to take the family on a holiday once recovered. It's your choice how you would choose to use this lump sum payment.

Do I need both health and life insurance?

We want to ensure you're fully protected, whatever life throws at you. Having both health and life insurance in place may be a great way of covering different eventualities.

Health insurance premium increases took place in April, so you may want to consider reviewing your health insurance and make sure you have the best policy for you.

