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Snapshot: Building a safety net with Health Insurance and Life Insurance

Life is full of surprises – some wonderful, others challenging. While we can't predict what the future holds, we can prepare for it. For many Australians, the question of whether to choose health insurance, life insurance, or both is a key part of planning for health and financial security. These two types of insurance aren't competing products but are complementary. Together, they form a safety net that helps protect you and your family through life's uncertainties.

Medicare

The first level of defence for all Australians

Medicare is integral to our health care system, offering essential medical services to all Australians and provides important benefits like:

**Free treatment:**

Covers public patient care in public hospitals.

**Subsidised services:**

Includes GP visits, specialist consultations, and diagnostic tests like X-rays or blood tests.

**Prescription medications:**

Reduces costs for necessary medications through the Pharmaceutical Benefits Scheme (**PBS**).

However, Medicare has its limits. It doesn't cover everything such as private hospital care, dental treatment, and some other health services e.g. psychology, occupational therapy, and podiatry, which often comes with out-of-pocket costs.²

Health Insurance

To safeguard your immediate health needs

The focus of health insurance is on immediate and ongoing medical costs: ensuring you receive the care you need when it matters most. It offers:

- **Access to treatment:** Covers hospital stays, surgeries, and outpatient care like chemotherapy and radiation for terminal illnesses such as cancer.
- **Specialist and GP visits:** Ensures affordable consultations with primary care physicians and specialists, such as oncologists.
- **Medications and diagnostic tests:** Covers prescribed medications, imaging (e.g., MRIs, CT scans), and blood tests.
- **Mental health & rehabilitation:** Includes counselling, with up to 10 subsidised sessions annually, as well as physical therapy and other post-treatment services.
- **Palliative and hospice care:** Provides support for patients with terminal illnesses, improving their quality of life.

Health insurance is essential for managing medical costs, especially in times of illness or injury.¹

Life Insurance products

To provide comprehensive financial protection

The focus of life insurance is on financial stability for you and your loved ones in the event of unforeseen life events to help provide financial security. It offers:

Life Insurance:

- A lump sum payment in the event of death or terminal illness.
- Provides financial support for loved ones to help with financial responsibilities, like contributing to mortgage repayments or other major expenses such as funeral costs, debts, and family living expenses.

Total and Permanent Disability (TPD) Insurance:

- A lump sum payment if you become totally and permanently disabled and are unable to work due to disability.
- Assists with medical costs, rehabilitation, and lifestyle adjustments like home modifications.

Trauma Insurance:

- A lump sum payment upon diagnosis of a specified critical illness or life-threatening condition, such as stroke, cancer, burns or major head trauma.
- This payment can help cover out-of-pocket medical costs, recovery expenses, and living costs during treatment. In the event of death, the lump sum payment is made to the beneficiaries. If the insured is diagnosed with a terminal illness, the payment is made to the insured.

Income Protection (IP) Insurance:

- Offers a monthly payment to replace a portion of your income if you're unable to work due to sickness or injury.
- Ensures you can maintain financial stability and can help you meet ongoing expenses like mortgage repayments.

Life insurance products offer financial security for individuals and their families beyond health-related expenses, including support for other needs such as covering loss of income due to inability to work.³

Building a comprehensive safety net with expert advice

Health insurance ensures that you have access to medical care when it is needed, addressing immediate health concerns and treatment costs. In contrast, life insurance provides financial support for broader challenges, such as loss of income and critical illnesses. By combining these two types of insurance, Australians can protect both their short-term health needs and long-term financial stability, creating a robust safety net to navigate life's uncertainties.

For a clearer understanding of your options, consult a licensed financial adviser who can help tailor solutions to your unique circumstances.

For more information contact your financial adviser.

Contact us

For information on ClearView Life Insurance, a copy of the ClearView ClearChoice Product Disclosure Statement can be obtained from **clearview.com.au/pds** or by phoning **132 979**.

References

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- 2 www.itsmyhealthinsurance.com.au. It's My Health, 2025
- 3 www.clearview.com.au. ClearView, 2025