



## July 2019

Welcome to the latest edition of our client newsletter! We've included a mix of articles designed to share our insights and experiences, we hope you enjoy reading them.

If you would like to discuss any of the issues raised in this newsletter, please don't hesitate to contact us.

In the meantime, we hope you enjoy the read.

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# How to get the most value from your health cover

It's time to schedule an annual checkup. A health insurance checkup, that is.

Because a lot can change in a year – your needs may have changed, the insurance market has most certainly shifted and living expenses continue on an upwards trajectory.

For example, in 2018 some banks put their interest rates up, which can put extra stress on the family household budget.

So, let's take a look at the steps you can take to complete a health insurance policy checkup now.

## Review your policy

When conducting a health insurance checkup, the obvious starting point is to pull out the details of your existing policy.

Specifically, identify what level of cover and inclusions you're getting and whether the mix is still right for you, and look at how much you're paying. This will give you a good baseline for comparison.

## Comparing inclusions and limits

There are three common ways to take out private health insurance in Australia – as private hospital cover, extras cover or combined cover (hospital plus extras).

- **Hospital cover**

Most health insurance providers offer a range of hospital cover policies.

At the basic level, you'll likely be covered for common hospital treatments and Medicare recognised services. But you'll probably face waiting periods, plus exclusions or restrictions around cardiac and cardiac-related services, plastic surgery, rehabilitation, psychiatric services and palliative care.

At the top of the range, you're more likely to be covered for pregnancy and birth-related services, obesity and weight loss surgery, joint replacements and renal dialysis. There may, however, be waiting periods associated with these procedures.

- **Extras cover**

Extras cover is usually for services that are provided outside a hospital, and which Medicare does not generally cover. There's often an annual limit to cover under each category of treatment and waiting periods.

Your entry level cover tends to be for the most common procedures – things like preventative dental treatment, optical appliances, physiotherapy, chiropractic, osteopathy and preventative tests.

At the top end of the scale, you may be looking at receiving some cover for services such as hearing aids and speech processors, home nursing, antenatal classes and postnatal services.

## Comparing costs

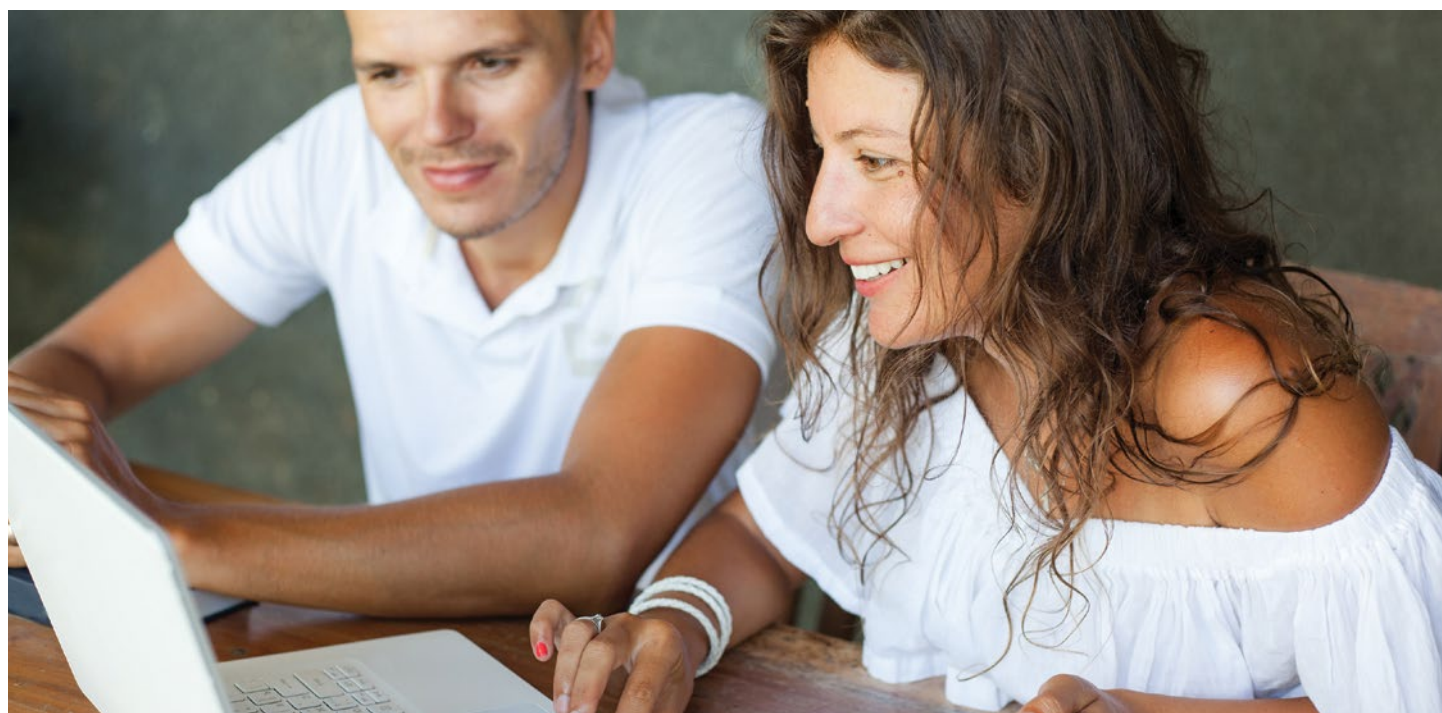
You can start by comparing premium costs between different providers and their various policy levels.

Don't forget to compare your additional costs – excesses for hospital admission, co-payments for hospital accommodation, and gap-fees when insurance doesn't cover the total cost of treatment.

For additional savings, look to see if you can secure cheaper cover if you pay premiums months in advance, or if you combine hospital and extras cover.

Finally, take note of any costs or penalties associated with switching providers.

*With health insurance premiums set to rise in April, now's a great time to review your cover. For help finding the right cover for you and your family, get in touch.*





# The mental health benefits of exercise

Exercise can be incredibly beneficial for the body, but it's also great for the mind. So what are you waiting for? Get moving!

We all know the feeling – that buzzy, warm glow we get after exercise. Whether it's a gentle jog, playing footy with the kids or lifting a personal best, exercising makes us feel good. But it isn't just the smug satisfaction of knowing we've been active for the day (although this is pretty nice too) – there's a scientific reason why moving our bodies makes us happy.

It all comes down to processes in the brain. According to the Australian Medical Association, exercising releases neurotransmitters into the brain called endorphins and serotonin. These chemicals have mood boosting properties that leave you with the so-called 'runners' high'. Endorphins help to encourage positive feelings and can provide relief from conditions like anxiety for hours after exercise is over.

## Exercising for the brain

Endorphins aren't the only reason why exercise is great for the mind. According to Health Direct, a raised heart rate during exercise pumps more blood to your brain, increasing

your ability to think clearly and helping to improve your memory skills.<sup>i</sup>

Wearing yourself out with physical activity is bound to help you sleep better at night. This can lead to a number of health benefits for both the body and the mind, and everyone knows how a good night's sleep can enhance your mood!

## Exercising for you

Keeping fit and active is an important part of building and nurturing self-esteem. The process of training and seeing improvement in skills or changes to your physique is hugely beneficial for confidence, not to mention the mood-boosting properties of being outdoors in nature or spending time with friends playing social sports.

## How much exercise should I be doing?

Health Direct suggests a minimum of 30 minutes of moderate to intense exercise every day. You can make up 30 minutes over the day by combining shorter 10-15 minute sessions.

## Here are some ideas to get you started:

- try a brisk walk to the shops rather than taking the bus
- join a social sports team after work
- hit the pool for some laps
- instead of meeting a friend for coffee, go for a walk in the park

It's important to find the type of exercise that suits your preferences and lifestyle – that way you're far more likely to keep it up.<sup>i</sup>

## Make sure you're protected

When trying new sports and getting active outside, it's important that you have the right protection in place. Consider income protection insurance so that, if the worst should happen, you can recover safe in the knowledge that you may be eligible for an alternative source of income to protect your family.

*Call us today and we can discuss your options.*

<sup>i</sup> <https://about.healthdirect.gov.au/linking-to-us>





# Super reform: impact on insurance

The productivity commission has released a report into the superannuation industry and made 31 recommendations for reform. So how could they impact you?

Coming in at 700 pages, the December 2018 Productivity Commission's report does not make for light reading. So we've done the hard yards and had a look at what it could mean for you.

The Productivity Commission, *Superannuation: Assessing Efficiency and Competitiveness* inquiry report starts with the premise that: "Australia's super system needs to adapt to better meet the needs of a modern workforce and a growing pool of retirees. Structural flaws – unintended multiple accounts and entrenched underperformers – are harming millions of members, and regressively so".<sup>i</sup>

The report states that fixing these problems could benefit super fund members to the tune of \$3.8 billion each year. For example, "a 55-year-old today could gain \$79,000 by retirement," and "a new job entrant today would have \$533,000 more when they retire in 2064".

Now, whether or not any or all recommendations are adopted depends on the government of the day, here's how they could impact insurance through super.

## Impact on insurance through super

The report identifies two key concerns with insurance through super.

Firstly, it states that insurance through super can be "unsuitable". For example, "because of exclusions on the basis of occupation" and "default insurance members cannot claim on".

The second key problem identified is: "Inconsistent standards and poor practices across industry", including "considerable evidence of trustees acting in ways that are inconsistent with members' best interests".

### In a bid to address these problems the report makes four recommendations (recommendations 15-18):

- insurance through super should be opt-in for young and certain inactive members,
- trustees of super funds should articulate and quantify the balance erosion trade-off determination they have made for their members,
- the establishment of a binding and enforceable insurance code of conduct,
- an independent inquiry into insurance in super.

Another notable change is that trustees are required to cease insurance where no contributions have been made for the past 13 months.

## What now?

Well, the recommendations are just that: recommendations.

So it's up to the government of the day – which could change following the election later this year – to decide which recommendations it will adopt in-full, partially or not at all.

## Your move

When it comes to the decision to purchase stand-alone life insurance or insurance through super, it's up to the individual.

For instance, the benefits of insurance through super can include being able to pay premiums with pre-tax earnings, preserving disposable income and – in some instances – accessing tax concessions.

But the type of cover available through super may not be right for your circumstances, and in some circumstances the benefit amount, if a default amount, might not be enough for your situation.

It's also important to remember that life insurance through super can be impacted by certain changes in life.

*For more explanation on how the super reform may impact your insurance, please feel free to get in contact with us.*

<sup>i</sup> <https://www.pc.gov.au/inquiries/completed/superannuation/assessment/report/superannuation-assessment.pdf>