

# THE SOURCE

News & Views From Eric James & Associates Ltd

**EJ** ERIC JAMES  
& Associates

LIFE, INCOME PROTECTION,  
TRAUMA, MORTGAGE PROTECTION,  
& MEDICAL

## Trauma Insurance evolves as New Zealanders live longer

In New Zealand, our average life expectancy is around 83 for women and 79 for men. A consequence of living longer is that our lives are more likely to be interrupted with survivable health events.

As modern medicine continues to evolve at a rapid pace, so too have trauma insurance products evolved to cover an increasing range of illnesses. Trauma cover, which pays a benefit when you suffer one of the more than 40 listed serious health conditions, is increasingly being considered equal in priority to life cover policies which pay only upon death or terminal illness.

Over recent years the cost of trauma cover has increased significantly in line with the increased chances of claims being paid. Key contributors are:

- Advanced screening and diagnostic tests which can detect the presence of health conditions much earlier than previously possible, leading to earlier trauma claims.
- Significant product improvements and innovations. The original four covered conditions – heart attack, cancer, stroke, and coronary bypass surgery – have expanded to cover more than 40 specific critical health events, among them neurological conditions such as Alzheimer's and Parkinson's diseases, disabilities such as end-stage organ failure or being comatose or in intensive care for a certain length of time.
- In addition to the main critical illness benefit, it is becoming increasingly common for trauma products to also offer additional benefits. These can include automatic cover for your children, paying for your flight home if you have been working overseas prior to becoming ill/disabled, or even funding for financial planning advice to help you manage your lump sum claim.



The effect of all of this development in both medicine and product is that trauma cover can now end up paying claims even when a person's life is not significantly impacted by the diagnosis of the condition, meaning in some circumstances a very large payment might be made when there has been no financial impact at all.

While this can seem like a real windfall, there is a conflict in that premiums must increase to cover these 'windfall' claims, reducing the affordability of the product and therefore the protection against the more significant health catastrophes that the product was initially designed to cover.

Clearly trauma cover is an extremely valuable product with the potential to be a lifesaver when unexpected health catastrophes arise. With that in mind, it is important to consider how trauma cover fits into a portfolio of benefits to ensure you have the best mix of protection to suit your own personal budget – something your EJA advisor can help you with.

### We're joining the paperless revolution

Working towards a paperless office is one of the steps to becoming a more environmentally friendly business, and at Eric James and Associates we are keen to do our bit.

This newsletter, which is produced and mailed out twice per year, will now be sent by email to all clients for whom we have email addresses. If we do not have your email address, you will

be receiving this newsletter via snail mail. To receive digital editions in future, please update us with your email address if you have one.

A paperless office is great in theory but good things take time. Watch your mailbox for items we still need to mail to you from time to time.

# Insurances that keep pace with your lifestyle

For most of us, our insurance needs change over time. In our early twenties we may have few financial responsibilities, and may consider ourselves bulletproof and see no need for insurance at all.

As we progress through the stages in life, our need for life and disability insurance changes, as we move from being single with relatively few obligations, into couples and parents with incomes, mortgages, and families that all need protecting.

It makes sense then to increase your cover only when you need it, similar to drawing down against your mortgage... right?

However with insurance, the inherent risk with that approach is leaving it too late. If your house is already burning down, chances are it's too late to organise your home and contents insurance. Similarly a decline in your health, or even that of your parents or siblings, can have a significant impact on your ability to buy additional cover.

Health issues can mean that people getting new insurance, or increasing the insurance they already have, end up paying higher premiums, having restrictions applied to their cover or even being unable to get cover at all.

When you buy insurance for the first time, you typically do not need as much as you will need in the years to come. Having insurance you can increase as your needs grow, even if your health has taken a turn for the worse, is very valuable. It is important to ensure your policy has the ability to keep covering you as your circumstances change. Keep in regular contact with Eric James and Associates so that we can review your cover when things change to ensure you remain fully protected over time.

## And the winners are...



*Congratulations to our latest barrel draw winners, Christchurch couple Bimal and Shelly Krishna of North New Brighton seen here with Eric James and Associates advisor Alvin Liu.*



*Winners of this month's Auckland barrel draw are the Marshall family who live in Manurewa, from left mum Jasmine, 1-year-old Harley, 3-year-old Isabella and dad Crede, seen here with Eric James and Associates advisor Laura Terrey.*

## Oaty banana pancakes

Perfect for a Sunday brunch, these pancakes are delicious served with yoghurt and fresh berries, or maple syrup with some crispy bacon on the side.

1 cup rolled oats

1 ripe banana mashed

Soak these in 1 cup milk for at least 30 minutes

Add:

1 beaten egg

½ cup flour

2 tsp baking powder

½ tsp salt

25g melted butter

Stir until just combined, but don't over-mix.

Melt a knob of butter in a pan or hot plate over a medium heat. Drop in big spoonfuls of the pancake batter, turn down the heat and cook gently. (Be patient: these are thicker than other pancakes, so take longer to cook.) Wait for bubbles to appear on the surface, then turn and cook the other side. Serve.

Referrals welcome: A healthy business thrives on referrals and we'd like to work with more people like you. If you know of someone such as a family member, friend or colleague – who would benefit by our services, please encourage them to call us on 0800 374 252 or (03) 977 4400

The information contained in this bulletin is offered in good faith as general information and for reading enjoyment, and has been derived from sources believed to be accurate. Neither Eric James and Associates nor any of its directors gives any warranty of reliability or accuracy or accepts any responsibility arising in any way including by reason of negligence for errors or omissions herein. Disclosure Statement available and free on request. Before making any decisions concerning your situation, contact your Eric James and Associates' advisor.



Head Office, 5/211 Ferry Road, Christchurch, Phone: 0800 ERIC JAMES (0800 374 252) or (03) 977 4400, Fax: (03) 977 4401, Email: admin@ericjames.co.nz, Website: www.ericjames.co.nz