

## Why do you need a Personal Accident Insurance?



We often watch on the television that accidents happen around the world. We also read in the papers about people who unfortunately, fall victim to accidents. Chances of mishaps happening to ourselves seem almost remote but they could happen at a time when you least expect it. When it happens, family members will be distraught or burdened financially or both in the case of a major accident which is usually associated with heavy medical costs. This is how a Personal Accident Insurance could ease some of the financial burdens for the family.

Many people still think that if they are covered by a life insurance and a health insurance (Shield plans), any other insurances are dispensable. However, the benefits under a personal accident plan and a life insurance plan differ. The table below provides a brief comparison in coverage between the 2 insurance plans:

	<b>Personal Accident Insurance</b>	<b>Life Insurance</b>
Basic coverage	Pays benefits upon Death and Permanent Disablement <b>due to accident</b>	Pays benefits upon Death and Total & Permanent Disability <b>due to accident or illness</b>
Covers Total Permanent and irrecoverable loss of sight of <b>both</b> eyes?	Yes	Yes
Covers Total Permanent and irrecoverable loss of sight of <b>one</b> eye?	Yes (subject to percentage of capital sum insured payable)	No
Covers severance of <b>two</b> limbs at or above wrist or ankle?	Yes	Yes
Covers severance or total & permanent loss of use of <b>one</b> hand or one foot?	Yes (subject to percentage of capital sum insured payable)	No
Covers <b>both</b> total and irrecoverable loss of sight of one eye and loss of severance of one limb at or above waist or ankle?	Yes	Yes
Covers severance or total and permanent loss of use of both <b>thumbs and all fingers</b> ?	Yes (subject to percentage of capital sum insured payable)	No
Covers total loss by physical severance or total & permanent loss of <b>use of toes</b> ?	Yes (subject to percentage of capital sum insured payable)	No
Covers total loss by physical severance or total & permanent loss of use of <b>little finger</b> ?	Yes (subject to percentage of capital sum insured payable)	No
Covers <b>Medical expenses</b> due to Accident?	Yes	No

Note the wordings highlighted in green in the table. It briefly illustrates that most Life insurance only covers you for Total & Permanent Disability as defined by loss of sight of **both** eyes, severance of **2** limbs, or loss of sight of **one eye and loss of one limb**. However, you can make a claim under your personal accident policy even if you have suffered total and permanent loss of your little finger due to an accident. It is thus a growing trend that more people are receptive towards buying a Personal Accident Plan which can complement your existing life insurance plan for an affordable premium.

Unlike Life insurance, Personal Accident insurance premiums vary with the policyholder's occupation rather than age. Broadly classified, there are 3 classes of occupational risks:



**Class 1 Occupation:** Persons engaged in indoor work mainly of sedentary (desk bound) nature and non-manual work in non-hazardous places, such as Accountant, Bank Teller, Office Clerk, Programmers and Teachers.



**Class 2 Occupation:** Persons engaged in work of an outdoor or supervisory nature or involves occasional manual work whose duties do not involve the use of tools or machinery or exposure to any special hazard, such as Chauffeur, Engineer, Outdoor Sales/Marketing and Property Agent.



**Class 3 Occupation:** Persons engaged in manual work not of particularly hazardous nature but involving the use of tools or machinery, such as Baker, Contractor, Hawker/Stallholder, Plumber and Technician.

#### **Here are some of the benefits of purchasing a Personal Accident Plan:**

1. No Medical Examinations are required to enroll in the plan.
2. Personal Accident plans are designed to be affordable and it is cost savings for family enrolment.
3. Personal Accident plans are low cost supplement to your life insurance cover.
4. Personal Accident plans offer 24 hours worldwide protection.
5. Most Personal Accident Plans cover accidental medical expenses reimbursement which is not a feature in most life insurance cover.
6. Some Personal Accident Plans have added features to cover emergency medical evacuation & repatriation, medical expenses incurred due to infectious diseases, family care income and even daily hospitalization allowance.

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