

Importance of Personal Accident Insurance: Why Do You Need it?

Share



Contrary to popular belief, personal accident (PA) plan isn't just for risky jobs. Although working in an office seems safe in theory, workplace accidents happen across various industries, not only in just construction and manufacturing industries.

Office accident statistics aside, even when you take great care not to trip or fall at work, anything can happen once you are out of the office. In 2021, there was a total of 100 fatal accidents and a total of 7,184 people injured in traffic accidents¹.

Some accidents might not be serious enough to require hospitalisation. However, there might be other medical expenses involved. For example, the accident might result in you needing crutches to walk or outpatient treatments. It is important to note that not all health insurance plans cover outpatient medical expenses and mobility aids.

Therefore, it's crucial to consider the importance of personal accident insurance as part of your overall financial planning to ensure you're adequately protected against unexpected accidents and their associated expenses.

What is a Personal Accident Insurance Plan?

A PA plan is a type of insurance that insures against accidental death or permanent disablement. It provides a lump sum compensation to the beneficiaries of the policy if unfortunate events happen². It can be used to cover medical expenses and conditions not covered in your existing life and health insurance plans and it can also be used to increase protection on top of your existing life and health insurance plans.

What medical expenses can be covered by a Personal Accident Plan?

Outpatient expenses

Consider this scenario - You trip on a wire at the office and sprain your ankle. You visit your local general practitioner (GP) and he conducts an X-Ray. He then informs you that you are going to need crutches. You are still worried and visit a Traditional Chinese Medicine clinic (TCM) to seek further treatment. Thereafter, you require five follow-up treatment sessions.

The cost of your local GP consultation amounts to S\$80, cost of crutches is \$50 and the cost of the TCM consultation and treatment is S\$400. The importance of having personal accident insurance becomes evident here as, unlike medical and hospitalisation plans which require hospitalisation to make a claim, you can use your PA insurance to claim for these medical expenses instead.

Recovery related expenses

Consider another scenario - While rushing for an important meeting in the office, you slip and land on your butt not knowing that the floor is wet. As you try to get up, you suddenly feel a sharp pain in your back. After being hospitalised, you have to recuperate at home for 8 weeks. You do not have enough medical leaves to take from work, resulting in a major salary deduction.

In this instance, some PA plans, such as Manulife ReadyProtect, has optional add-ons which provide income support benefit should you be unable to work due to an accident for a period of time.

5 levels of protection for you and your family, from S\$2³ a week

[Learn more](#)

Do I Really Need a Personal Accident Plan?

By now, you may have realised the importance of having a personal accident insurance plan in place. But, when is the right time to obtain it? If you meet any of the criteria below, it is worth considering taking up a PA plan for additional financial protection.

You have family relying on your income

If you are the sole breadwinner of the family or have children and elderly parents relying on your income, you should consider an PA plan. In the event of an accident, you might be unable to work temporarily. The payout from your PA plan will help you and your family tide through the period of zero or reduced income.

Your family will not be able to help you financially in case of an accident

Simple things like ambulance services, mobility aids, and outpatient treatments can cost up to the thousands and will not be claimable by your health insurance. These costs get compounded if your injuries land you in the hospital. If your family won't be able to help you financially, you should seriously consider protecting yourself in case any of these accidents happen.

You are on the road frequently

Not only are accidents unpredictable and unexpected, but there might also be hefty medical bills involved too. Having a PA plan can protect you from these uncertainties. For example, Manulife ReadyProtect provides double payout if the accidental death and dismemberment happened on public transport.

Ready to get started?

Let's arrange for a no obligation chat with our financial consultant now!

Are you new to Manulife? *

New ▼

First Name*

Enter your first name here

Last Name*

Enter your last name here

Country Code *

+65 ▼

Phone *

Phone

Email*

Your Email Address

Your Preferred Contact Method *

Phone ▼

protected by reCAPTCHA

[Submit](#)

Footnotes:

- <https://www.straitstimes.com/singapore/courts-crime/more-people-died-or-got-hurt-on-spore-roads-in-2021-as-more-activities-resumed>
- <https://www.mom.gov.sg/faq/work-permit-for-fdw/what-is-personal-accident-insurance>
- The premium is based on Manulife ReadyProtect Head Start plan, class 1 occupation for a life insured age 55 and below, paying annual premium.

Important note:

ReadyProtect is underwritten by Manulife (Singapore) Pte. Ltd. (Reg. No. 198002116D). This advertisement has not been reviewed by the Monetary Authority of Singapore. Buying health insurance products that are unsuitable for you may affect your ability to finance your future healthcare needs. This material is for your information only and does not consider your specific investment objectives, financial situation or needs. It is not a contract of insurance and is not intended as an offer or recommendation to purchase the plan. You can find the full terms and conditions, details, and exclusions for the mentioned insurance product(s) in the policy contract. This policy is protected under the Policy Owners' Protection Scheme which is administered by the Singapore Deposit Insurance Corporation (SDIC). Coverage for your policy is automatic and no further action is required from you. For more information on the types of benefits that are covered under the scheme as well as the limits of coverage, where applicable, please contact us or visit the LIA or SDIC websites (www.lia.org.sg or www.sdic.org.sg).

We recommend that you seek advice from a Manulife Financial Consultant or our Appointed Distributors or visit any DBS/POSB Branch before making a commitment to purchase a policy.

Information is correct as at 17/08/2022.

Speak to a financial consultant today!

Schedule now