

WEBINAR: A PRACTICAL GUIDE TO TPD CLAIMS

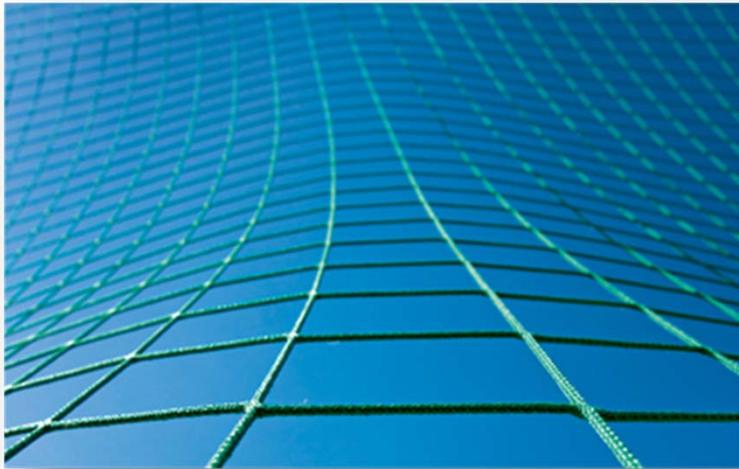
Financial Relief For Permanent Disablement (Ill Or Injured)

David Coorey, Special Counsel – Carroll and O'Dea Lawyers



Total and Permanent Disablement Insurance

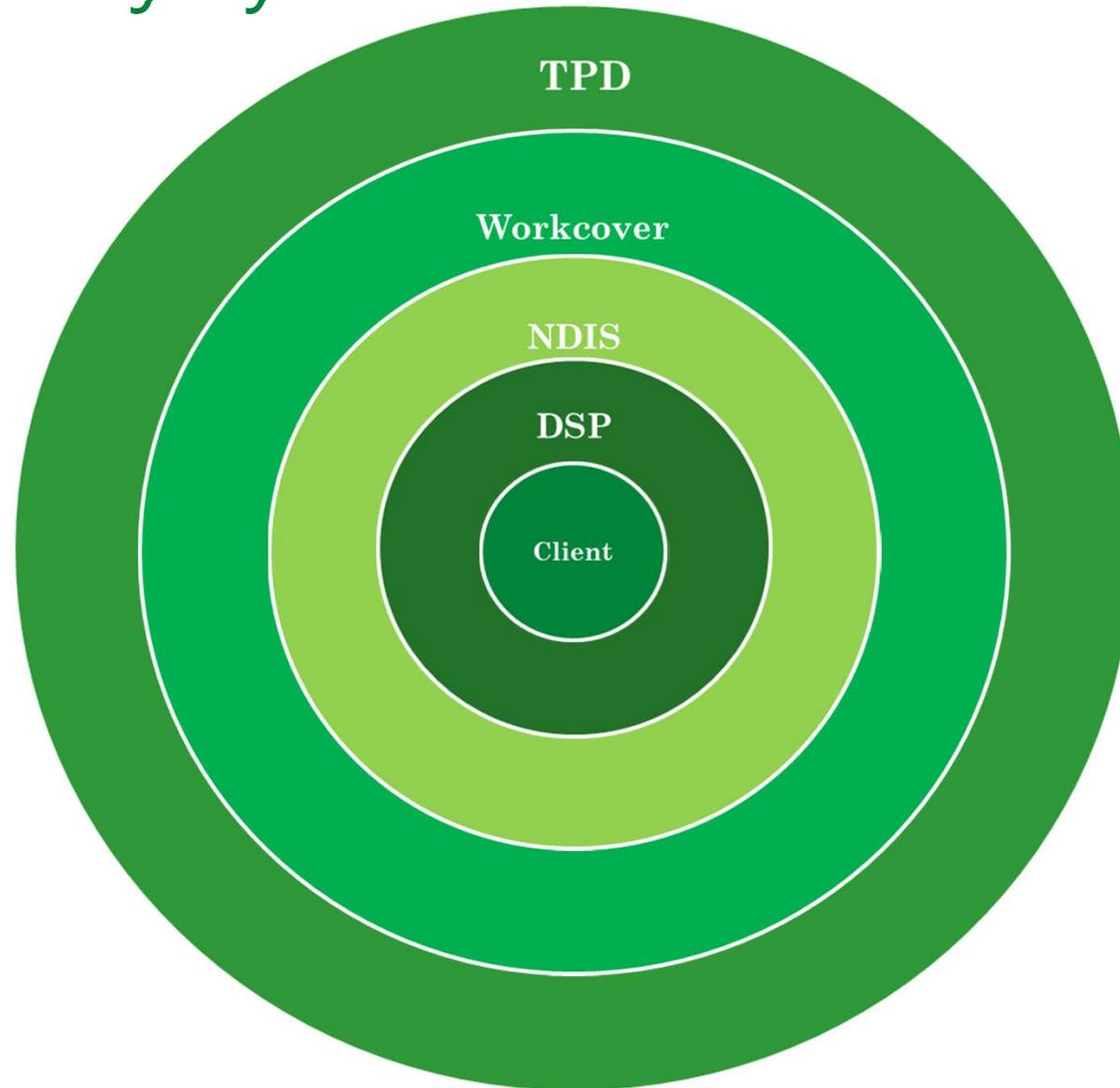
TPD plays a crucial role as a safety net in supporting the financial security of Australians.



ASIC REP 633 Holes in the safety net:
a review of TPD insurance claims

Permanent Disablement – Illness Or Injury

*The
Safety
Net*



TPD Claims – Interactive poll

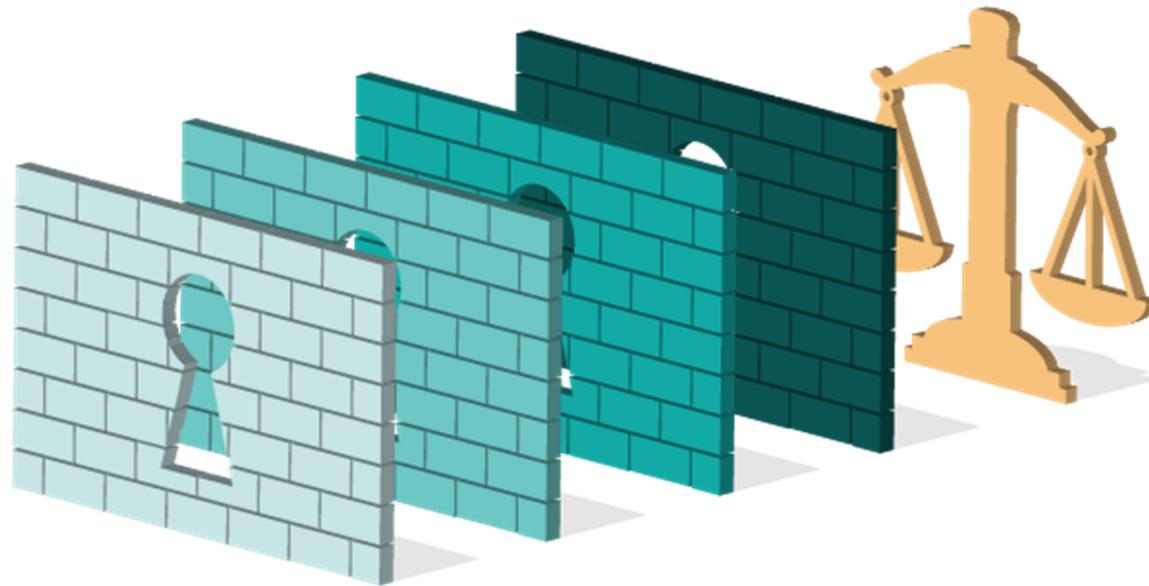
Q 1 Have you run a TPD claim?

***Q. 2 Have you run an appeal
on a rejected TPD claim?***



TPD Insurance – A Brief Overview

*Access to
Justice*



Many people who are permanently ill or injured will have worked at some time during their lives...

However ASIC reports that a significant number of people do not know they may be able to claim for total and permanent disability cover through their superannuation ASIC REP 591



Holes in the Safety Net

ASIC Report 633

TPD insurance is widely held – over 13.4 million Australians have TPD cover

Almost 90% are insured through their superannuation fund

TPD insurance premiums totalled \$3.548 billion & consumers made 26,000+ claims – 2018

Holes in the Safety Net

ASIC Report 633

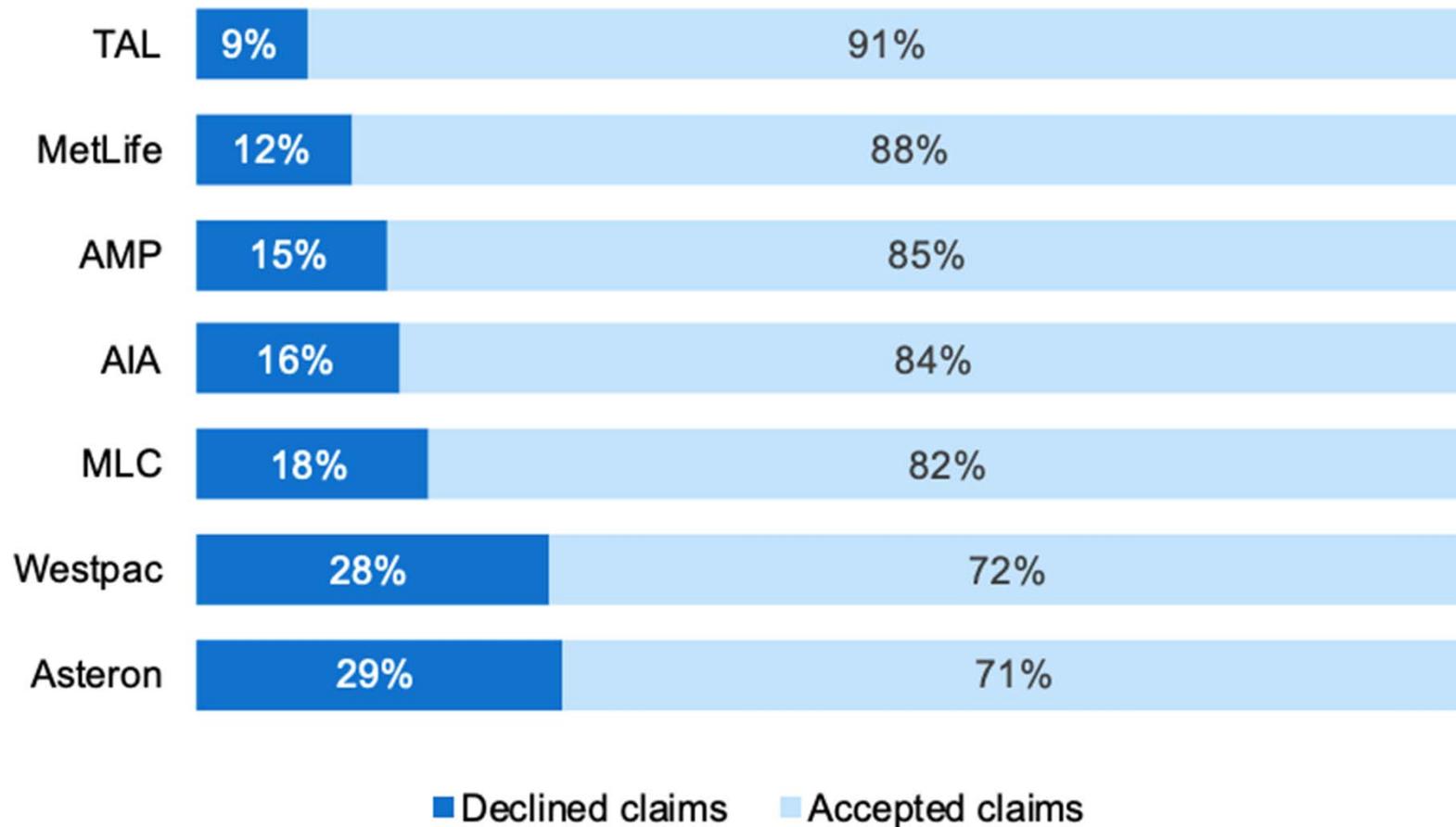
Some of the highest rejection rates of any insurance product

Delays in claims handling

Widespread confusion in understanding of product offering

Holes in the Safety Net ASIC Report 633

Figure 2: Declined claim rates for TPD cover, by insurer (2016–17)

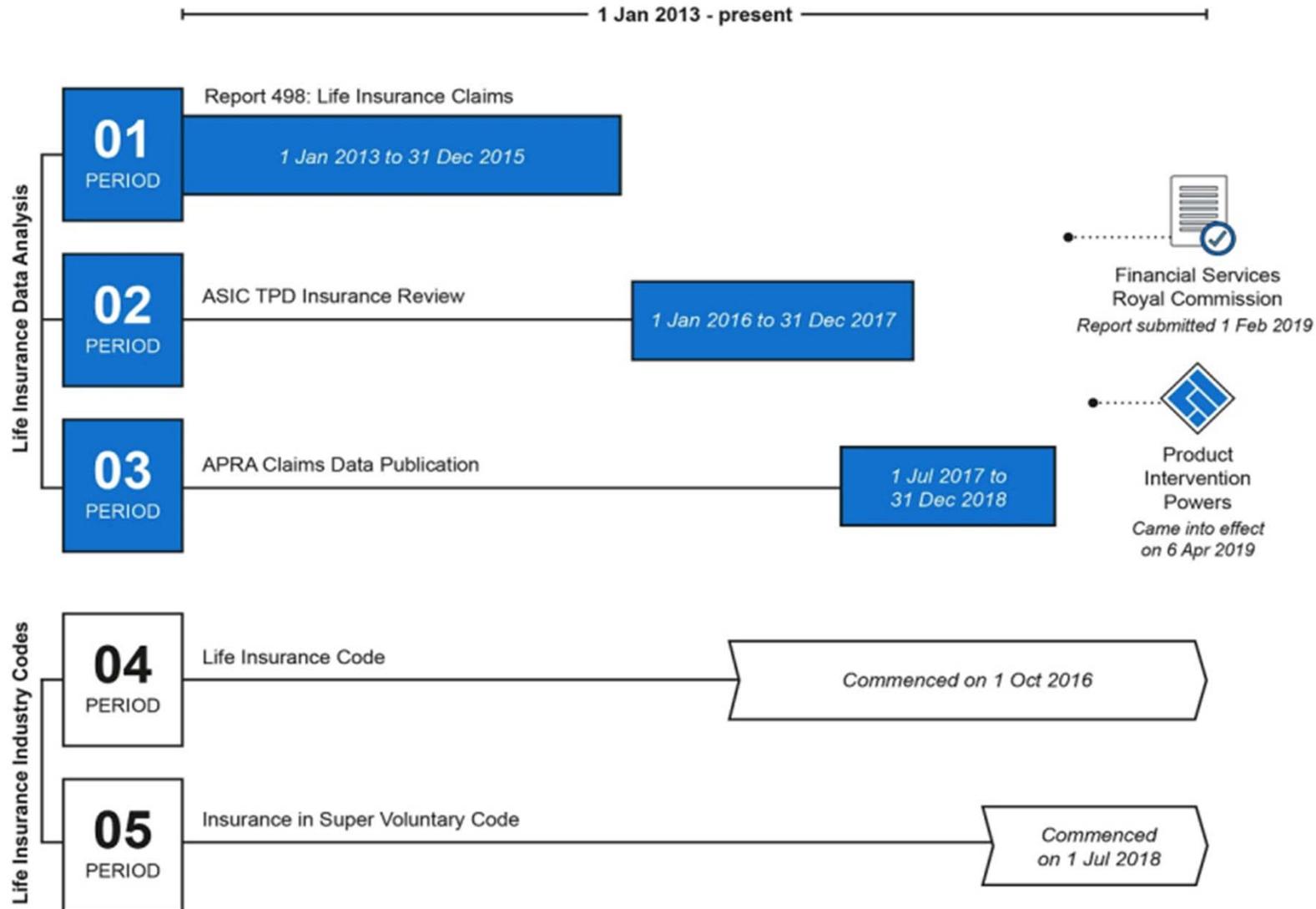


Source: ASIC data collection

Holes in the Safety Net

ASIC Report 633

Figure 6: Recent regulatory milestones in life insurance



Navigating the TPD Path



TPD Claims – An Overview

Lump sum payment for those who can no longer work due to injury or illness

Payments usually range from \$80,000 to \$400,000

Designed to replace income and meet medical expenses to retirement age



Total & Permanent Disablement

TPD policies define 'totally and permanently disabled' in different ways.

In 2011 the NSW Court of Appeal described the general or 'common form' of TPD definition

illness or injury which causes the life insured to be incapacitated to such an extent as to render the member unlikely ever to engage in or work for reward in any occupation or work for which he or she is reasonably qualified by education, training or experience.

Manglicmot v Commonwealth Bank Officers Superannuation Corporation Pty Ltd [2011] NSWCA 204.

Total & Permanent Disablement

There are three main definitions of 'totally and permanently disabled' used in TOPD policies.

- **Own occupation** – the consumer is considered totally and permanently disabled if they are unable to work in their 'own occupation' ever again.
- **Any occupation**—This is the general or 'common form' of TPD definition. The consumer is considered totally and permanently disabled if they are unable to work ever again in 'any occupation' for which they are suited by 'education, training or experience'.
- **Activities of daily living (ADL)** - consumer is considered totally and permanently disabled if they are unable to meet, usually, three ADL such as feeding, bathing and toileting themselves without aid or assistance.

Other types of TPD cover include '**home duties**' and '**loss of limbs**'.

Preparing a TPD Claim – A Brief Guide

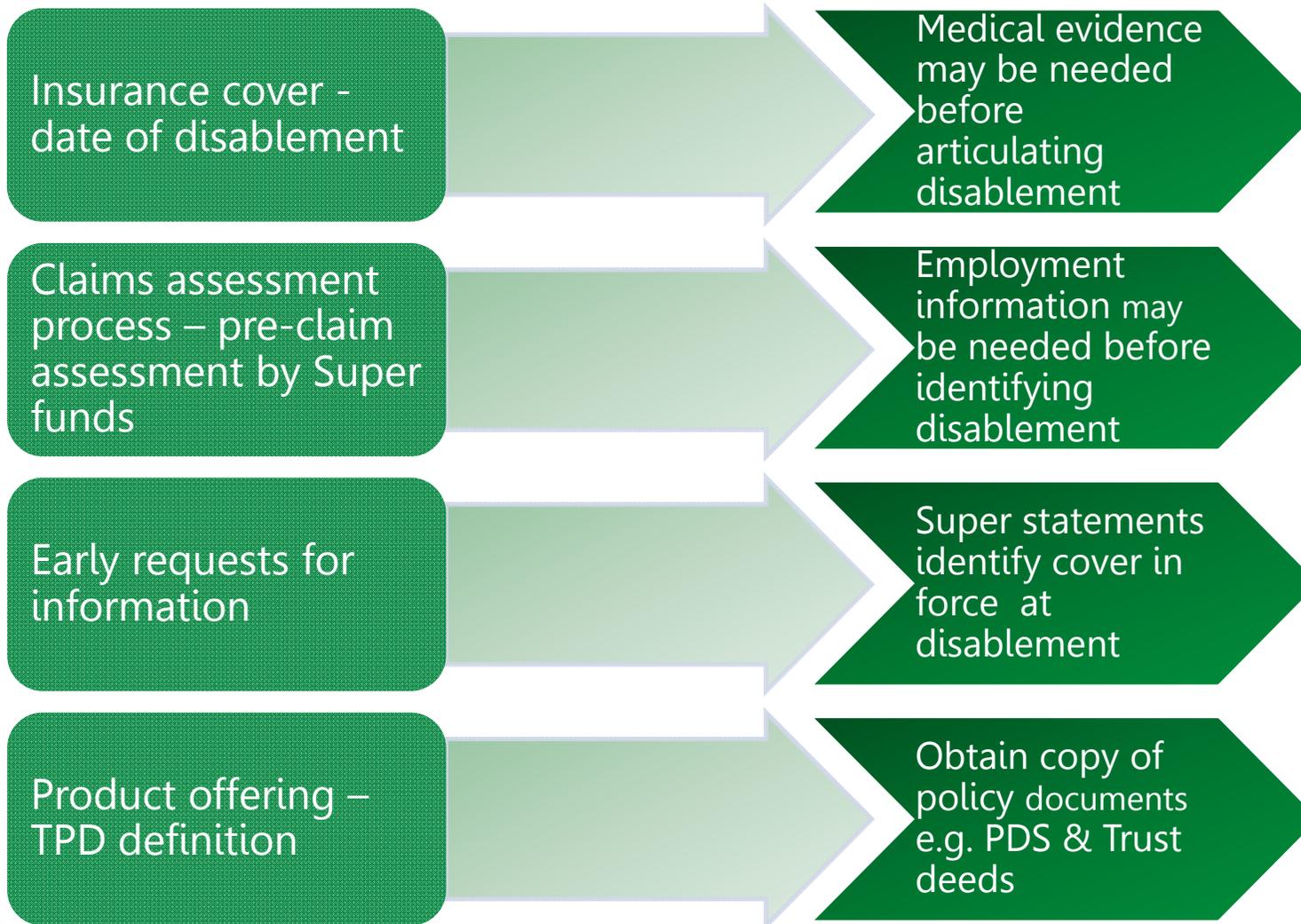
Claim form

Doctors Reports x 2
→ Treating GP & Specialist

Employer Statement

Certified ID

Preparing a TPD Claim – Practical Tips



Preparing a TPD Claim

– A Financial Relationship Assessment

Case Study 1

- Emergency worker
- PTSD – workplace
- Date of Displacement
- Failed attempt at return to work
- Variation of cover

Case Study 2

- Supermarket employee
- Injury in workplace
- Significant permanent impairment (workers comp)
- Medical information

Lodging a TPD Claim

– Things To Watch!

Timing of claims

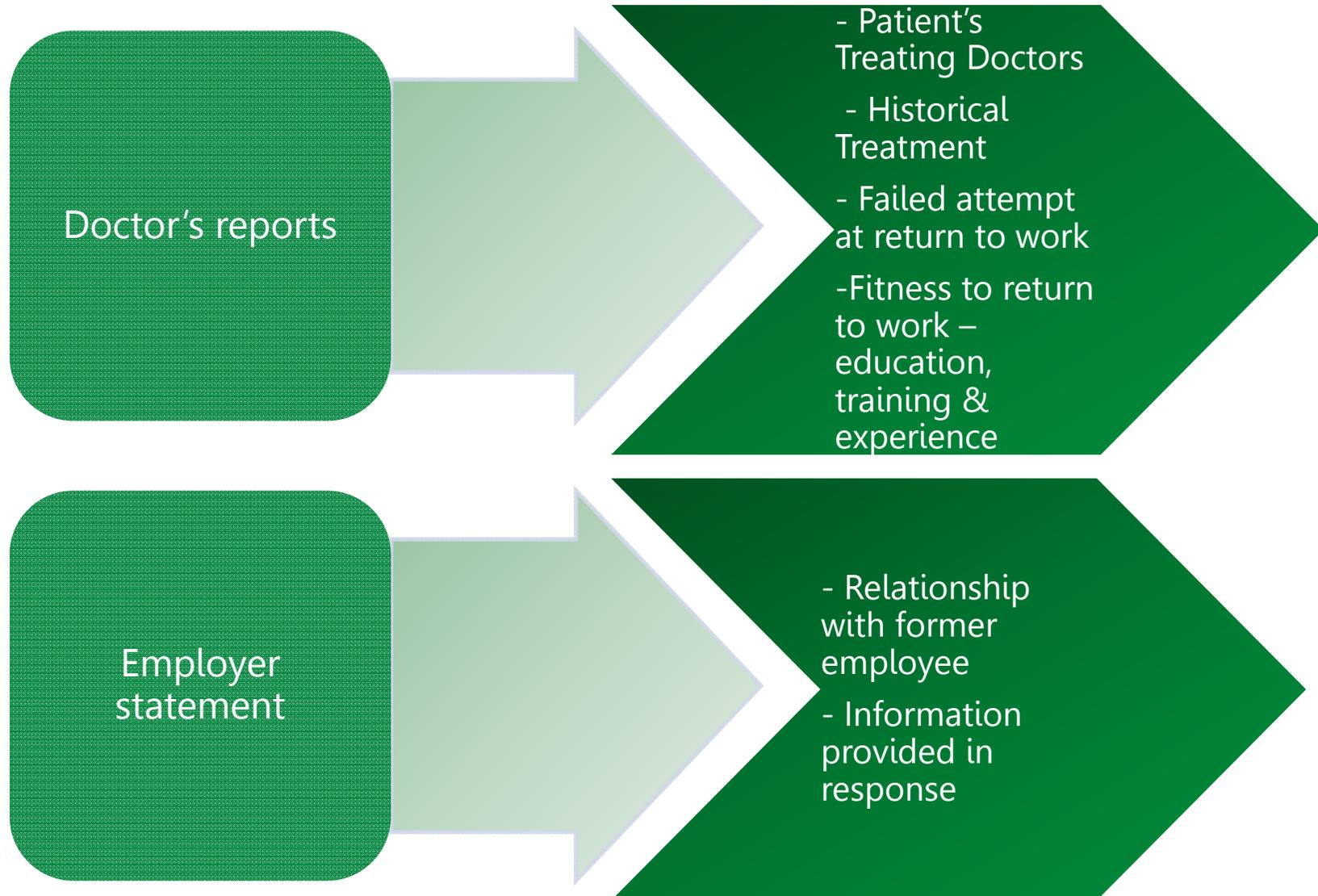
- Additional claims for TPD
- Effect of Income Protection Claim
- Employed at Time of Claim
- Early withdrawal of Super

Claims

- Waiting period (Usually 6 Months)
- Cover in force at date of disablement
- Failed attempt at return to work

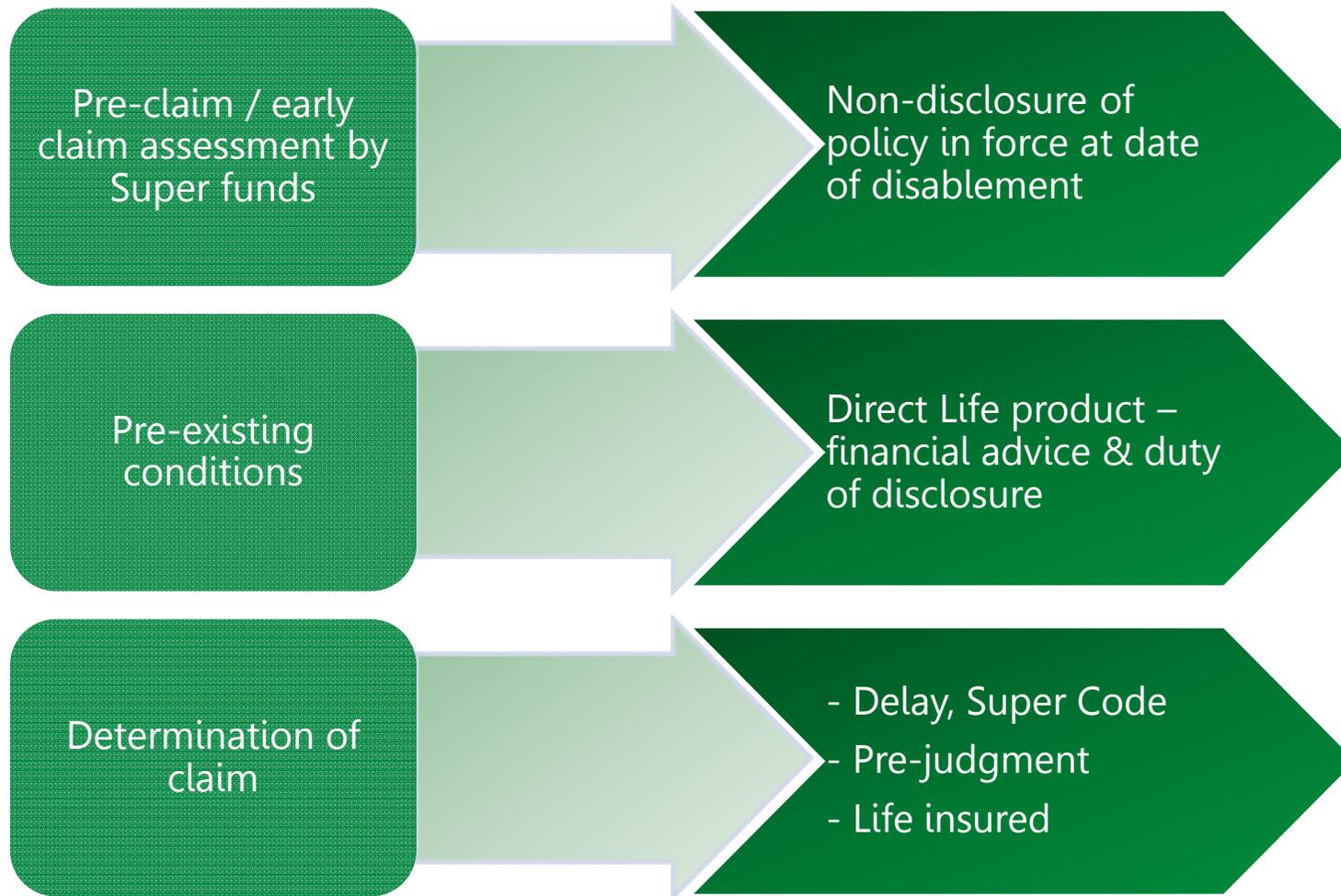
Lodging a TPD Claim

– Things To Watch!



Red Flags

– Claims Assessment



Financial Services – Regulatory Environment

- Superannuation Industry Supervision (SIS) Act & SIS Regulations
 - Corporations Act
 - Insurance Contracts Act
 - Life Insurance Act
-
- Insurance in Superannuation Code of Practice
 - Life Insurance Code of Practice



Checklist –
TPD
Assessment

IDENTIFY A POTENTIAL TPD CLAIM:





Outcomes
for
clients

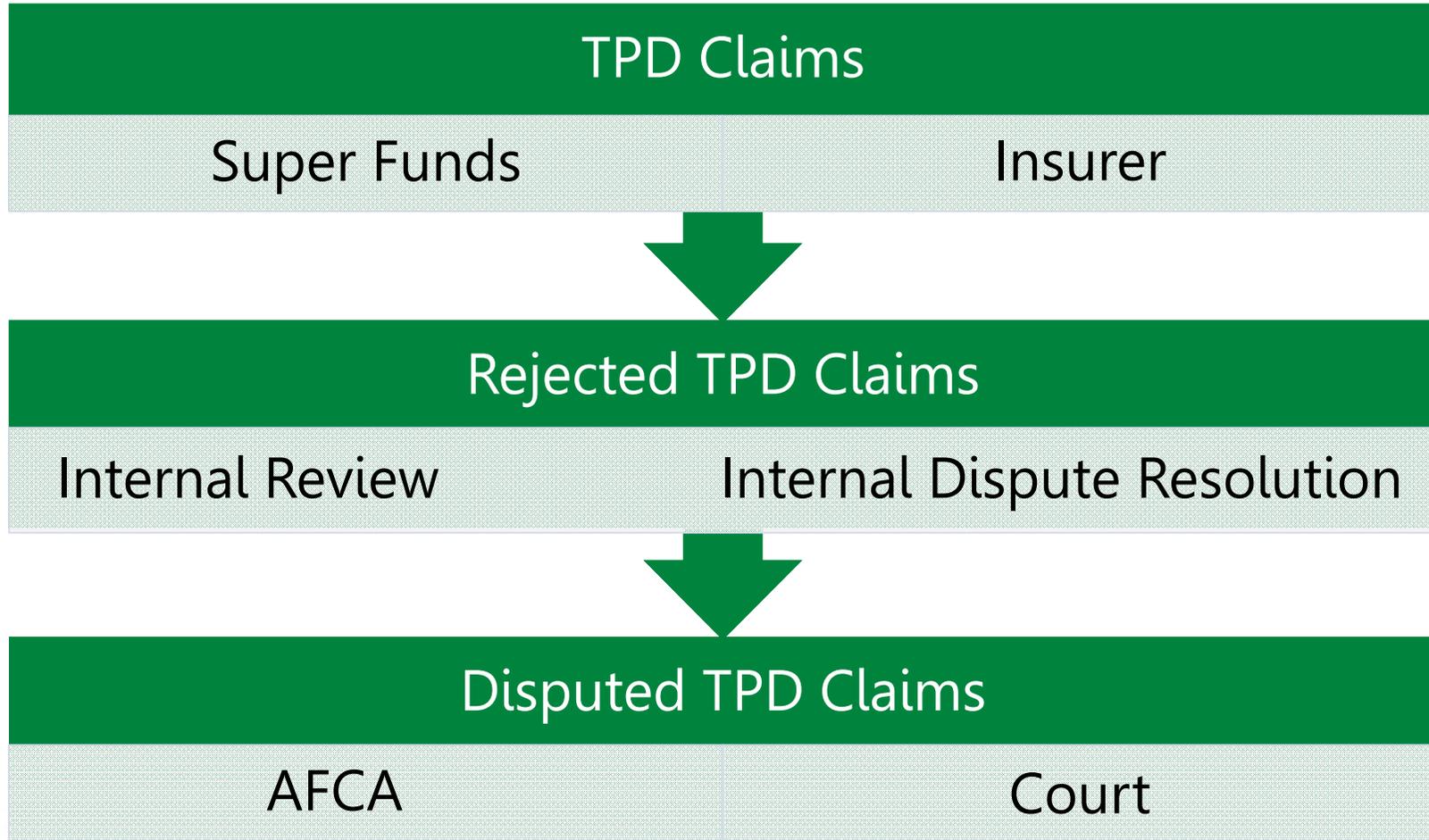
TPD Payments

Lump sum TPD payments
– not compensation (Social Security Act)

Financial advice - tax



TPD Disputes – Forum For Resolution



Referral Pathways



THANK YOU

David Coorey, Special Counsel – Carroll and O'Dea Lawyers

This webinar is presented in partnership with [Economic Justice Australia](#).