

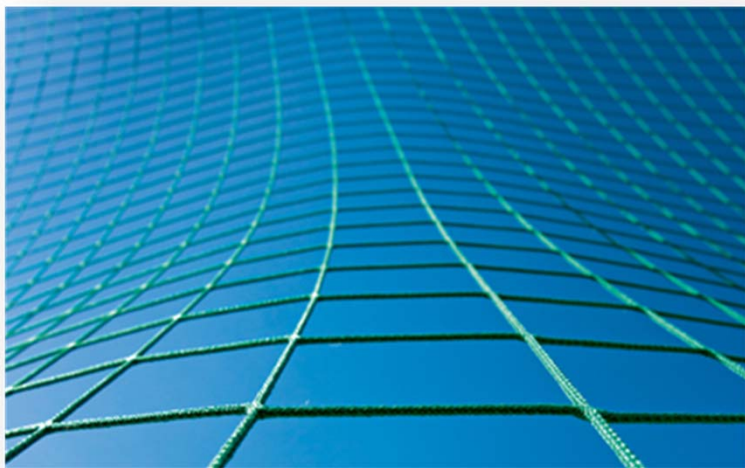
## **WEBINAR: A PRACTICAL GUIDE TO TPD CLAIMS**

**Financial Relief For Permanent Disablement (Ill Or Injured)**

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

# Total and Permanent Disablement Insurance

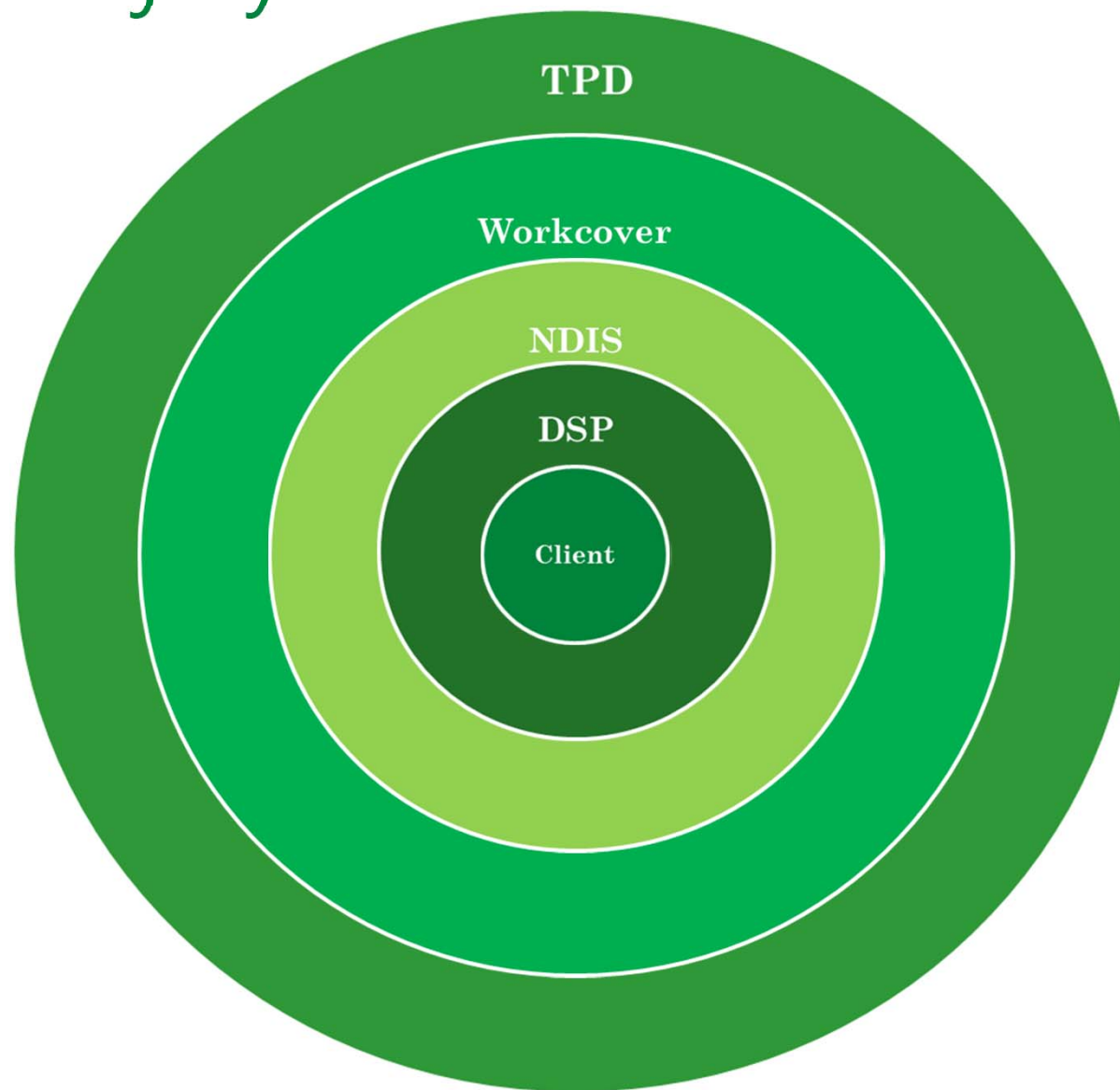
*TPD plays a crucial role as a safety net in supporting the financial security of Australians.*



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

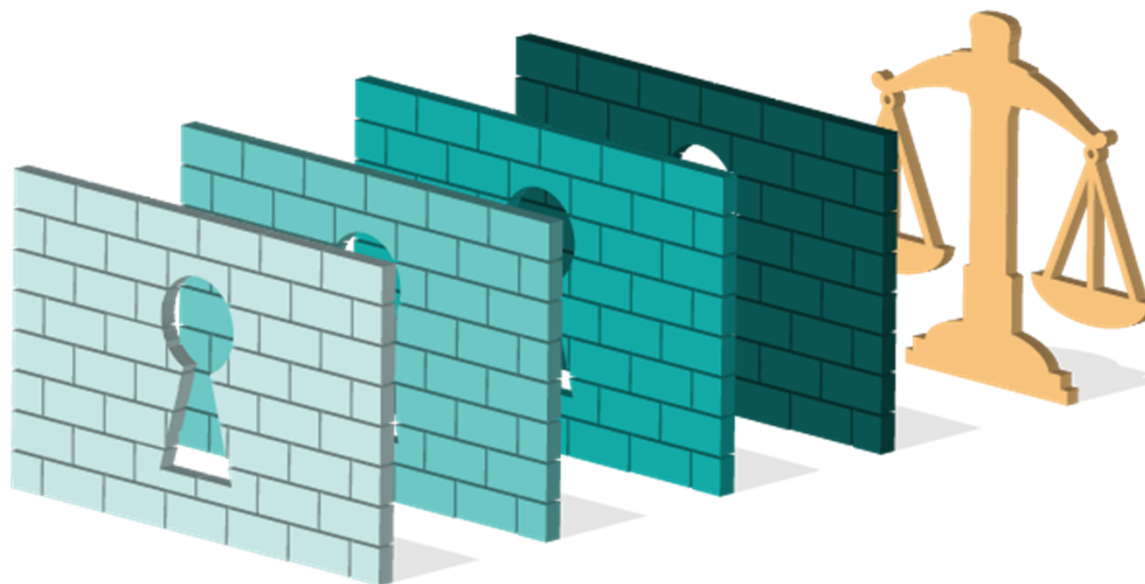
***Q 1 Have you run a TPD claim?***

***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

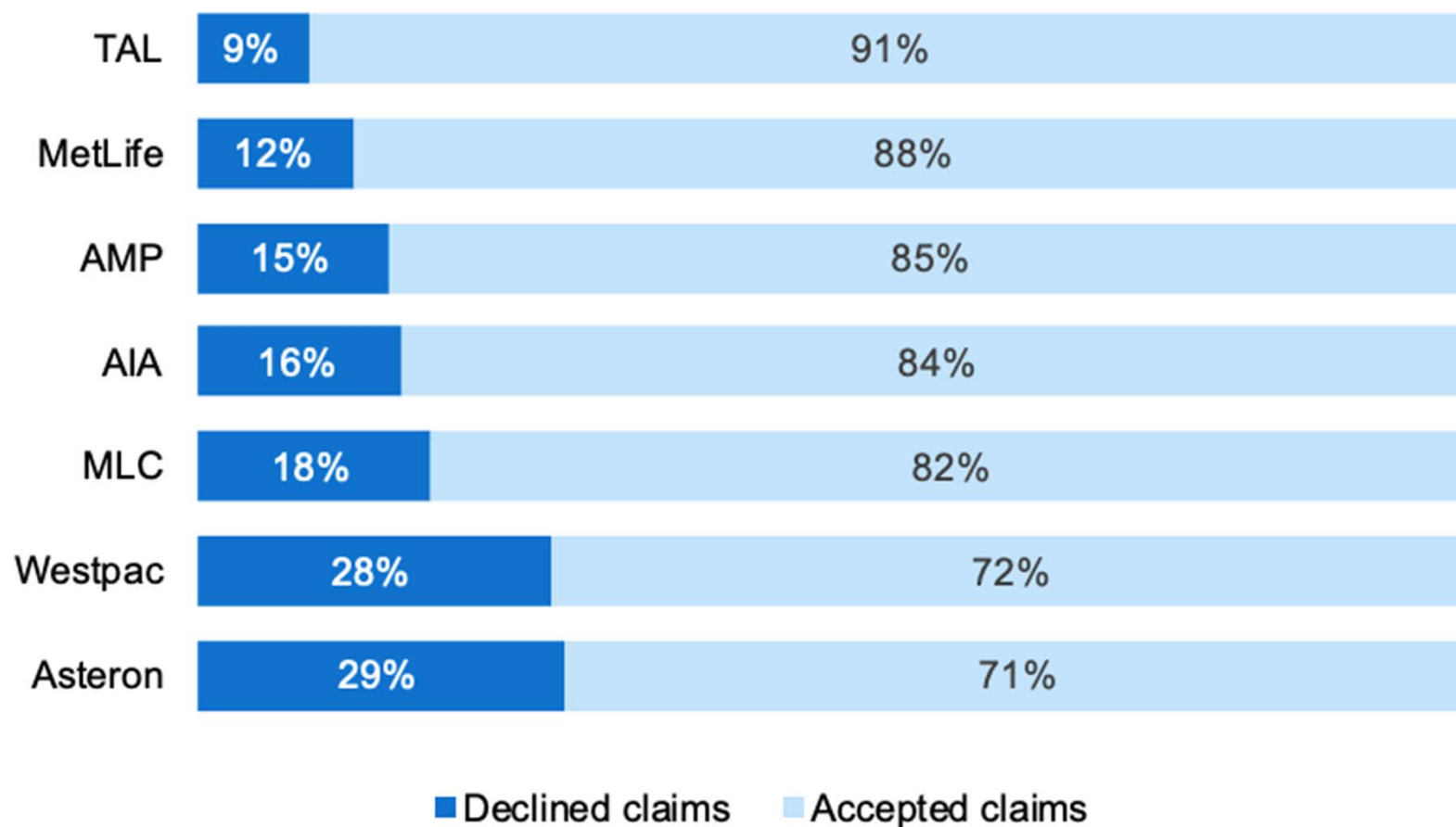
Delays in claims handling

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)**

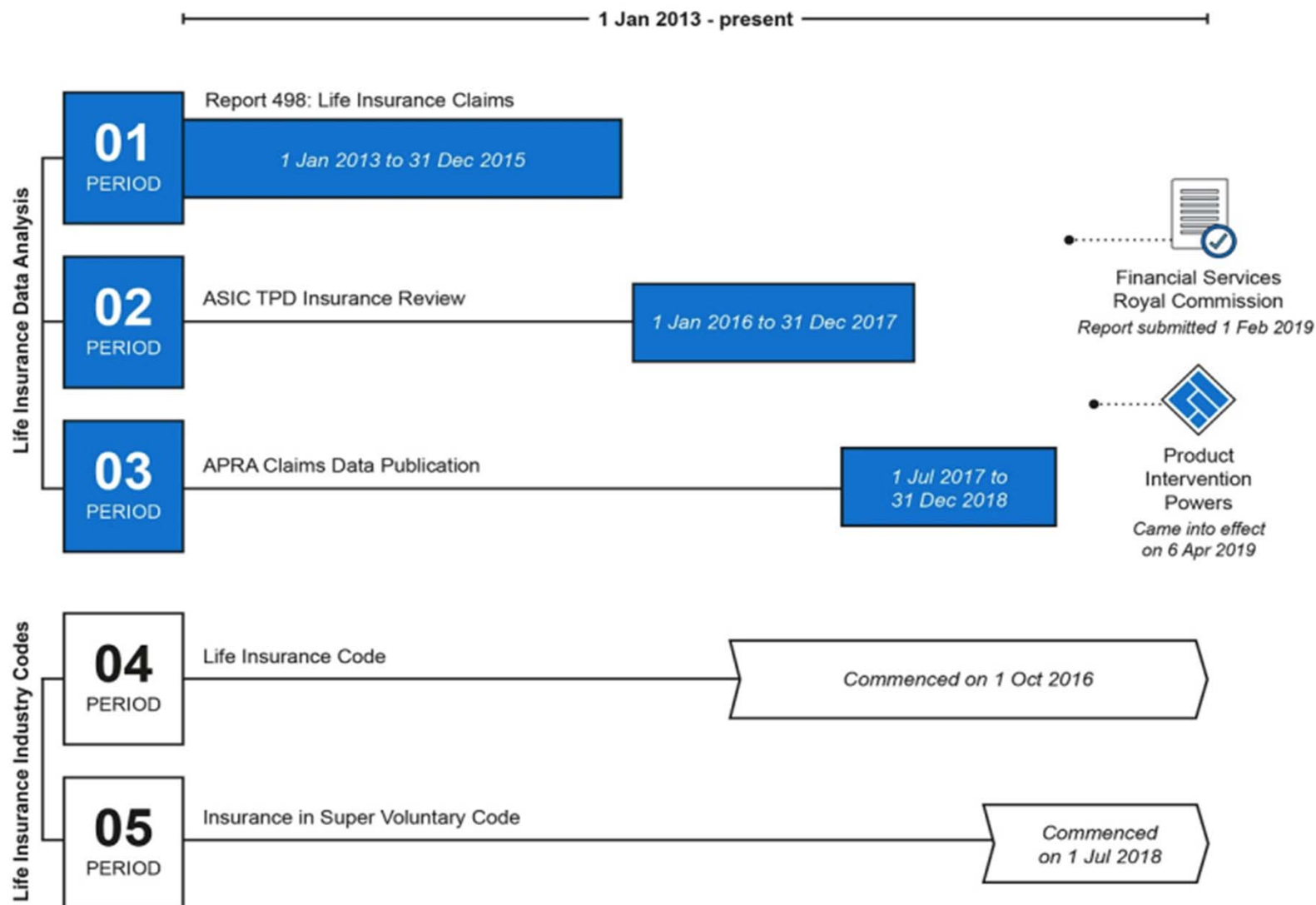


Source: ASIC data collection

# 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

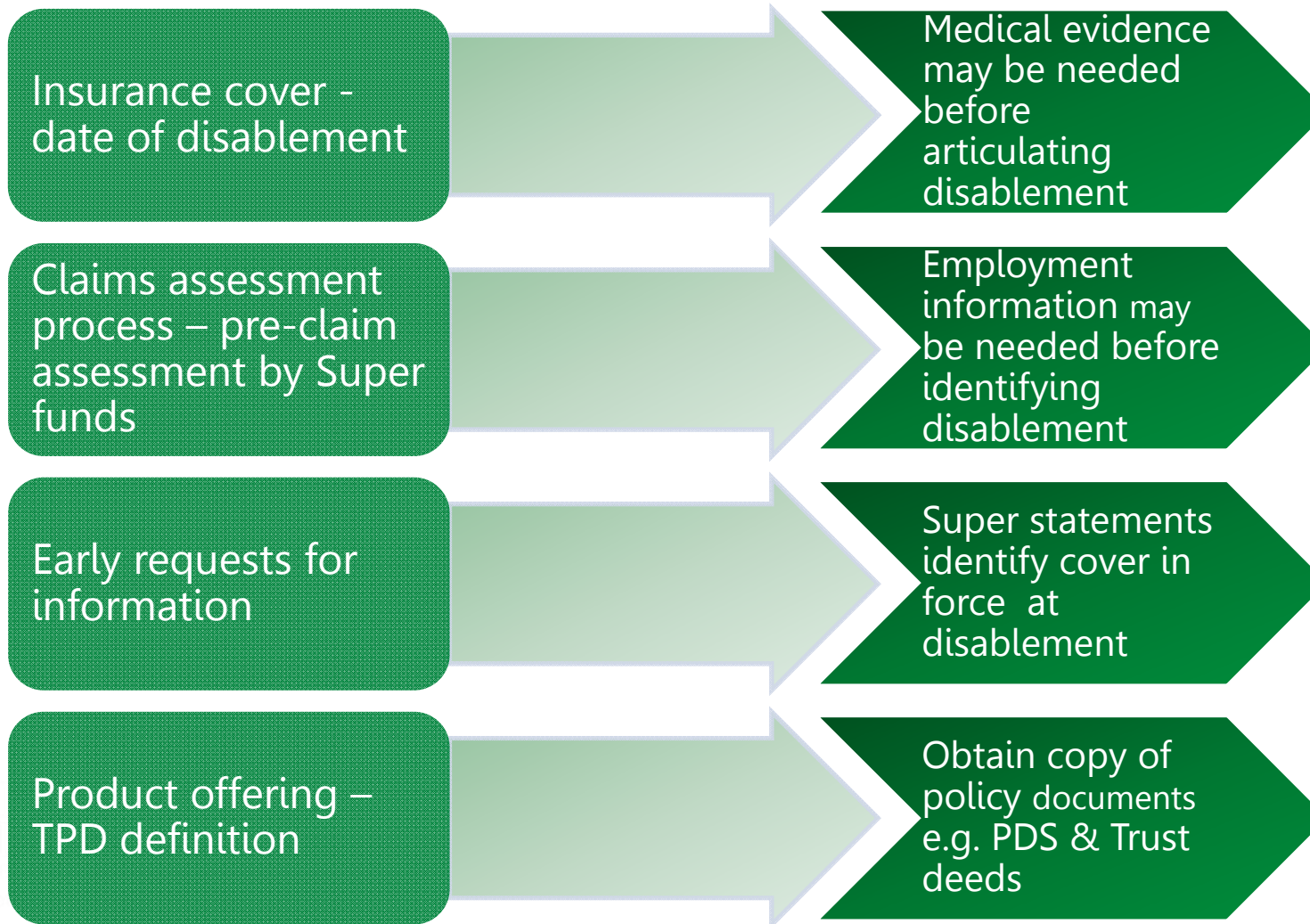
Claim form

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

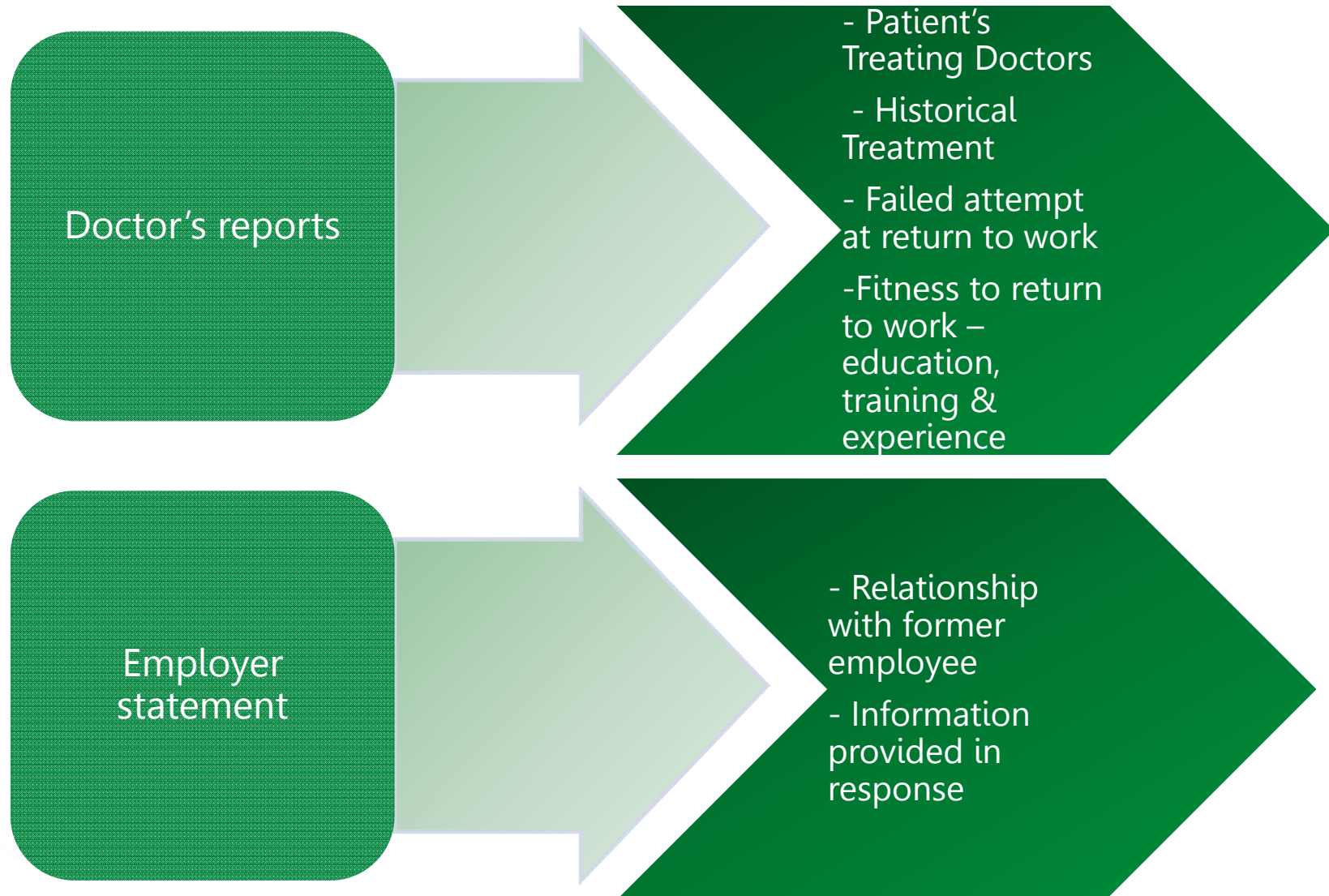
- Additional claims for TPD
- Effect of Income Protection Claim
- Employed at Time of Claim
- Early withdrawal of Super

### Claims

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

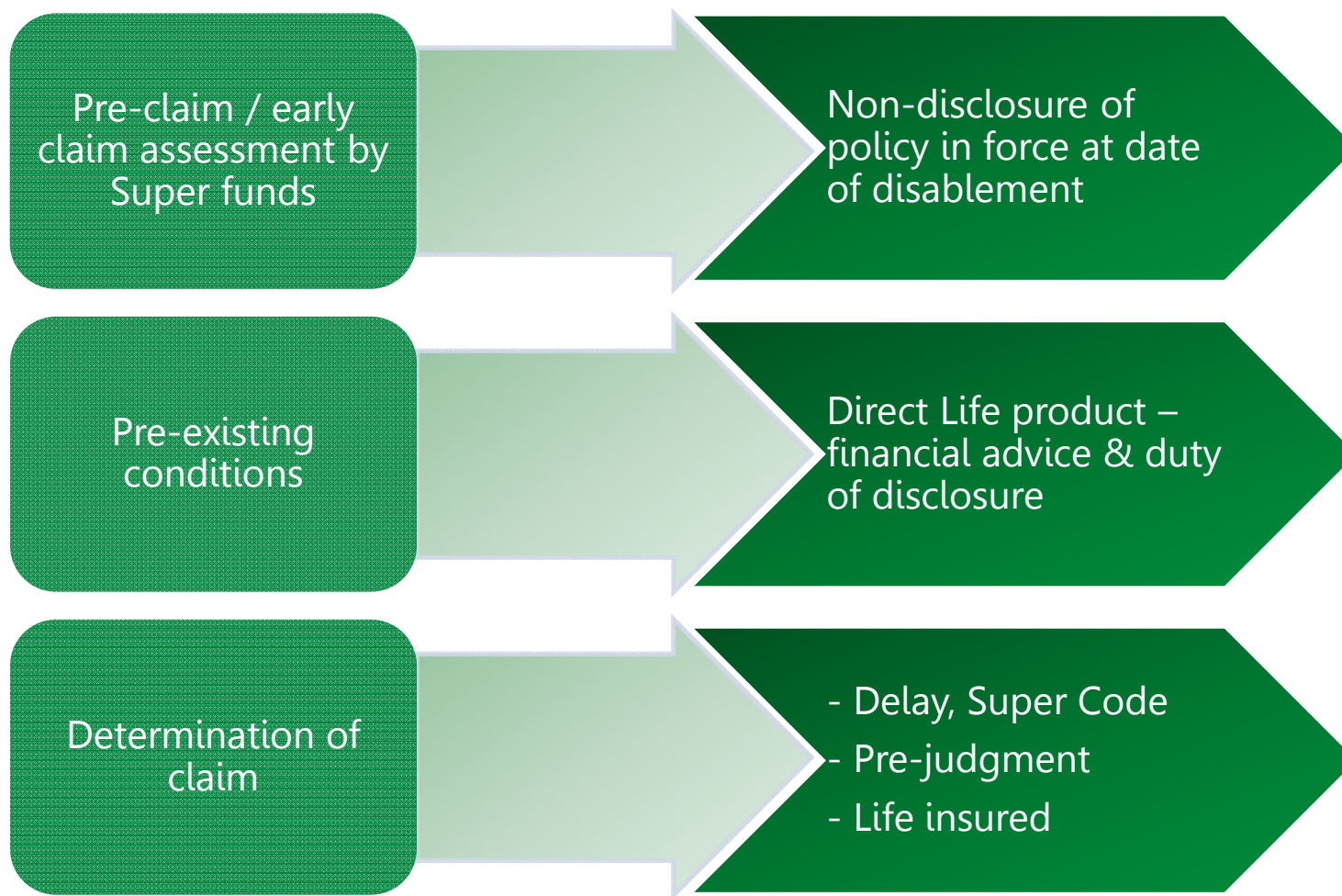
# Lodging a TPD Claim

## – 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

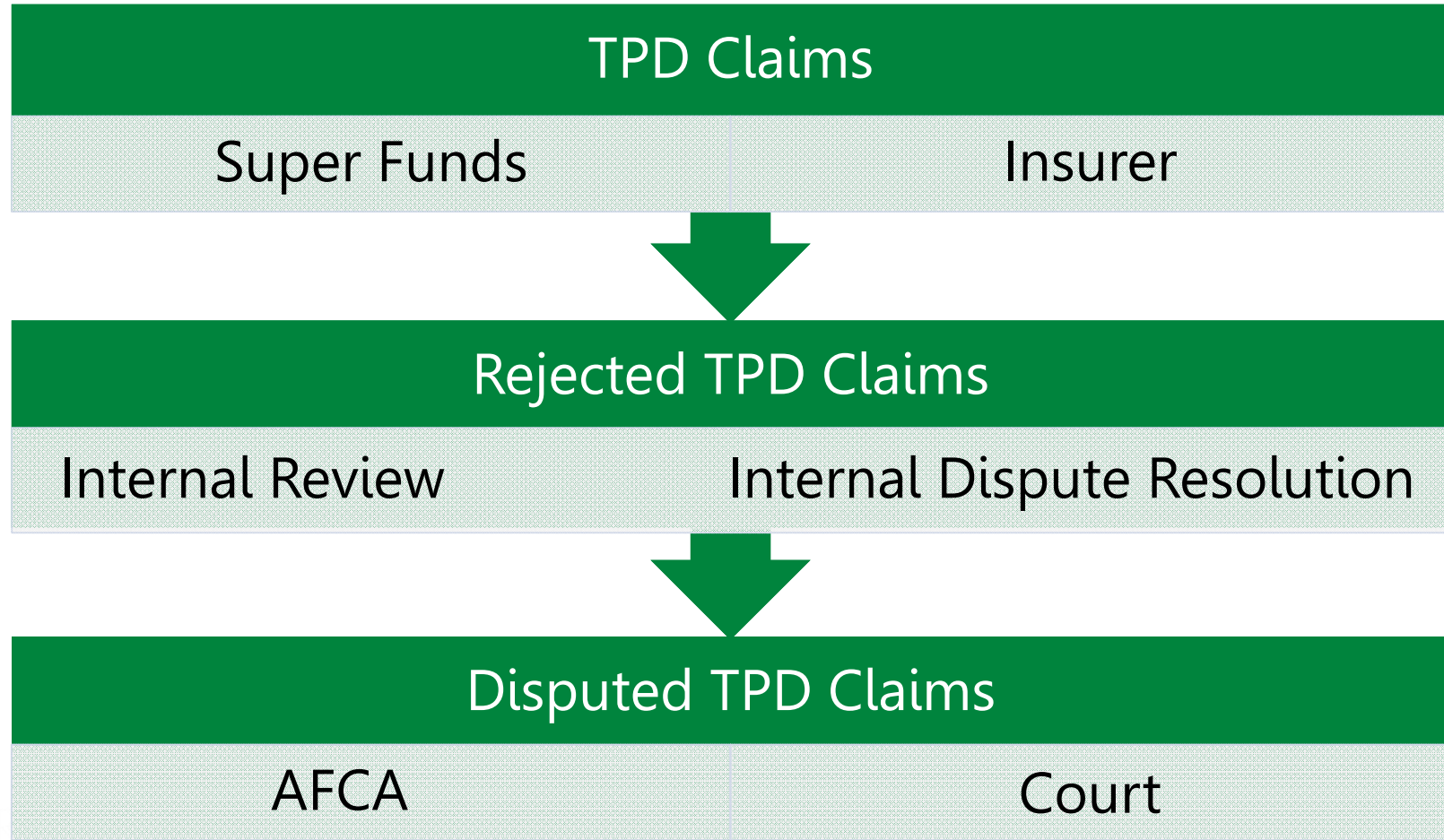
# TPD Payments

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](#).*