
YOUR GUIDE TO...

How Total and Permanent Disability Insurance works

Total and Permanent Disability (TPD) insurance provides a lump sum (one-off) payment if you become permanently disabled due to an injury or illness and can never return to work.

The payment can be used how you choose: financial support for medical treatment, ongoing care at home or to cover day-to-day living expenses so you can focus on your health.

How am I covered?

TPD insurance has different definitions of what it means to be *totally and permanently disabled*. Two of the common ones include cover for:



Your own occupation: you're unable to work again in the job you were doing before your disability. This cover is more expensive and only available outside of superannuation.



Any occupation suited: you're unable to ever work again in any job suited to your education, training or experience. This cover is generally cheaper than the own occupation definition but may have a higher threshold to claim.

Depending on your circumstances, there are other definitions that may apply so make sure to check which are relevant to you.



How do I get TPD insurance?

You may already have a level of TPD cover through your super fund so it's worth checking what you have in place already. Having TPD insurance through super is often cheaper, plus you have the flexibility to change the level of cover if you need to.

You can also buy TPD insurance from:

- a financial adviser
- an insurance company.

What information do I need to apply?

When you apply for TPD insurance, what you need to provide will vary depending on whether your policy is through your super fund, financial adviser or directly from an insurer. At most, you may be asked personal details such as your financial information (income, assets you own), occupation, medical history and lifestyle (your smoking status or whether you have high-risk hobbies).

What happens if I need to make a claim?

Whoever you obtained your TPD insurance from (your super fund, employer, adviser or insurer) should be your first point of contact. They'll each have a slightly different claims process, but generally you'll need to supply documents that support your claim. These could include medical results or reports from a doctor and information about your job, like your regular duties and hours.

Depending on the nature of your claim, the insurer may ask you to have an independent medical examination and in some cases, regular health assessments as well.



WHAT'S THE DIFFERENCE BETWEEN THE NATIONAL DISABILITY INSURANCE SCHEME (NDIS), TPD INSURANCE AND TRAUMA INSURANCE?

If you have a permanent and significant disability, you may be eligible for **funding from the NDIS**.

The scheme helps pay for specific expenses to support daily personal activities: household tasks, transport and medical treatment for example.

It doesn't cover living expenses like groceries, bills, and rent or mortgage repayments.

Trauma insurance pays a lump sum if you become critically ill with a condition like cancer or a heart attack, or if you are severely injured and require extensive medical treatment to recover.

In comparison, if you're permanently disabled and can never return to work, **TPD insurance** pays a lump sum that you can use however you wish, helping ensure you and your family can maintain a good quality of life.



Where can I go for more help?

If you're looking for more information, there are lots of tools and resources available, including online calculators that can help you decide what level of cover might be suitable for you. ASIC's MoneySmart website is a good place to start: moneysmart.gov.au

You can also get in touch with your super fund to understand what cover you have and to help you decide whether it's right for you. Or if you have a financial adviser you can speak to them if you have any further questions.