

TPD insurance

Total and permanent disablement (TPD) is your financial back-up plan. It gives you the confidence to seize life's possibilities knowing you've made plans to secure your family's financial future...just in case!

Protecting you and your family against the unexpected

TPD insurance will provide a lump sum payment in the event you suffer an illness or injury which totally and permanently prevents you from working again.

Broadly speaking there are two types of TPD cover:

- **Own occupation** – The insured must show that they have a total and permanent disability that prevents them from working in their own occupation which they disclosed when applying for this cover. 'Own Occupation' is a more liberal definition of disability because, even if you can work in another occupation, you may still be eligible to receive disability benefits. Because it is easier to qualify for benefits under this definition of disability, insurance companies are limiting the availability of this type of coverage. Own occupation coverage is often more expensive. This type of coverage cannot be taken in your superannuation fund.
- **Any occupation** – The insured must show that they are totally and permanently disabled and unable to work in their usual, or any other occupation for which they are reasonably suited by their education, training or experience. 'Any Occupation' is often the cheaper option, however it can be more difficult to meet the requirements of this type of disability definition. This cover can be taken in your superannuation fund and benefits can be taken in the form of a lump sum, pension or a combination of both.
- Some insurers have a third type of cover available – a 'home duties' TPD cover. Payment of benefits under this definition would be based on the proviso that the insured, through sickness or injury, is unable to perform home duties and will never be able to do so again.

Factors to consider

- Make sure you have adequate coverage. Under-insurance can present a serious problem
- Changes in your personal circumstances (ie, the birth of a child) often necessitate the need for higher covers of insurance
- If you held TPD any occupation cover in super there may be taxation consequences if you receive a disability superannuation lump sum.

Maintain your quality of life

TPD insurance can provide a lump sum benefit which can be used in many ways, such as:

- helping to pay for recovery and rehabilitation costs, such as refitting your home
- enabling a partner or family member to reduce their work hours to care for you
- paying for a professional carer
- providing much-needed funds to repay debts, and
- creating an ongoing income stream for the future.

Let's talk

We can help you understand the type of insurance cover that may be appropriate for you. Your path to financial wellbeing starts with a simple email.

If you would like more information, please email us at:

 enquiries@bridges.com.au

Important Information

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