

Frequently Asked Questions Total and Permanent Disability



ACCIDENT CLAIMS LAWYERS

What does TPD mean?

Total Permanent Disability (TPD) is a type of Insurance cover that pays out a lump sum should you suffer from a sickness or injury meaning that you are unable to work.

Depending on the policy definition, this includes any occupation for which they are suited by training, education, or experience.

CASE STUDY EXAMPLE: A roof carpenter may not be able to work as a roof carpenter, but he can complete administration duties within his field therefore not meeting the ANY occupation definition as he is still able to work within current field he is experienced in.

However, some TPD policies include retraining clauses and this is why its important to understand the policy wording.

How do I know I have TPD insurance?

Many will be unaware that they may already have TPD cover as a result of automatic cover held within your superannuation and / or other insurances that they hold.

An example of this is when you commence work with a new employer and join the employers default superannuation fund where an automatic Insurance cover can be applied.

You should check your superannuation statement to check what cover you may have.

How do I make a claim for TPD?

To lodge a TPD claim, you will need to contact your insurer or superfund and request the appropriate claims documents. The insurer may also ask for medical evidence relating to your injury/illness.

Most insurers will require two medical professionals to sign off that you are unable to work in any occupation (this will be in the policy wording). For some conditions you may need to meet the required waiting period.

Claiming on a TPD benefit means you are not working for at least 3 months. What this means is you must meet a minimum of 3 month waiting period before lodging your claim with the insurer. Please note that some policies may also have a 6 month waiting period.

What injuries/illness should I include in a claim?

It is in your best interest to disclose all illness as the insurer may request all medical records. By providing all the medical evidence this will help us to assess the claim. Please note some policies may have an exclusion for pre-existing conditions. Wording around pre-existing exclusions may be included in the policy document / Product disclosure document.

What is the value of my TPD benefit?

This will depend on the arrangement made with the insurer at application time. You may also hold more than one policy as you may have different superfunds. Some clients hold more than one superfund. You can check this with the ATO.

Will I have to pay tax on my benefit?

TPD payment made through the superannuation will incur tax payments This may also affect any Centrelink payments you may be eligible for. It may be in your best interest to seek financial advice when receiving a lump sum payment to help mitigate the tax and any Centrelink benefits.

We can also assist you with experts within this area that will help review the tax liability and look at ways to assist in reducing the tax you pay.

What if my TPD claim is declined?

If your claim is declined, you have the right to dispute this with the insurer or you can reach out to the superannuation complaints tribunal or the financial service ombudsman. It is best to seek legal advice as soon as possible.

Why should I seek legal advice?

TPD claims can be complex and become overwhelming when trying to navigate through this process yourself. Seeking legal advice will remove the level of stress when dealing with the superfund or insurer.

With TPD, there can be a lot of grey areas and by having a lawyer to support you with the claim, we can prepare all the evidence required to move the claim along as quickly and smoothly as possible.

If you are feeling uncertain on what your rights are when looking to claim on TPD please contact our team at Accident Claims Lawyers. Our dedicated team will be more than happy to help you.

Looking for some help?

(08) 6149 1600

Our expert team are on hand to discuss your case.