

Total and permanent disability insurance



Deal with the risk of a serious illness or injury

What is total and permanent disability insurance?

Often abbreviated to TPD, total and permanent disability insurance provides you with a lump sum payment if, because of a sickness or injury, you are permanently unable to work.

Some policies require that you are permanently unable to work in any occupation while others are more liberal and only require that you are unable to work in any occupation for which you are 'reasonably suited by training, education or experience'.

In some instances, cover can even be provided so that a payment would be made if you were permanently unable to work in your own occupation.

Policies also usually extend cover by allowing payment of the benefit amount if:

- you suffer the loss of both hands, feet or the sight in both eyes or any combination of two of, a hand, a foot or sight in an eye; or
- you are permanently unable to perform at least two of the five "activities of daily living" (bathing, dressing, toileting, mobility and feeding).

Benefit payment is usually excluded if you become totally and permanently disabled as a result of a self-inflicted act or if it is caused by 'war or an act of war'; however, policies can differ and you need to have checked the specific conditions that apply to any policy you are considering.

What is wealth advice?

Wealth advice is support and guidance on the best way to manage all your finances. Whether it's adjusting your debts to minimise repayments, saving for a home or a holiday, investing money, planning for your retirement, maximising pension entitlements or ensuring your family are protected if something happens to you, the right advice from the right people will help you achieve your goals faster and more effectively.

What are the chances of becoming totally and permanently disabled?

The chance of suffering a sickness or injury between the age of 35 and 65 that will lead to total and permanent disability is about one in 10.

Source: General Reinsurance Life of Australia Ltd

How does TPD fit into my insurance portfolio?

Term life insurance provides a lump sum payment for your family, to ensure that the plans you had for them can be achieved. It also enables the financial obligations of your business to be met.

Income protection insurance provides a regular fortnightly or monthly, earnings replacement payment if you suffer a sickness or injury and are temporarily unable to work. This will assist you to maintain your lifestyle and that of your family until you are able to return to work.

Business expenses insurance reimburses the owner of a small, self-employed business for ongoing, fixed business expenses that continue to accrue while the owner is unable to work because of a sickness or injury.

Trauma insurance provides a lump sum payment if you suffer one of a list of major medical traumas. This will assist you to obtain the best medical and rehabilitation care and also change your lifestyle if you wish.

None of the insurances listed provide the same type of protection as total and permanent disability insurance.

How much should I have?

What are some typical issues you may face as a result of becoming totally and permanently disabled?

If you cannot manage them, how much would it cost to have them managed for you?

Self-care

- Showering or bathing
- Dressing
- Eating
- Toileting

Mobility

- Getting in and out of bed/chair
- Moving about your home or away from home
- Use of public transport
- Walking along flat surface, up and down stairs/hill
- Bending to pick something up

Communication

- Understanding or being understood by family/friends
- Understanding or being understood by strangers

Housework

- General household chores e.g. washing, vacuuming, dusting

Guidance

- Interacting, making and maintaining relationships
- Coping with emotions
- Making decisions, thinking through problems
- Managing behaviour of children

Health care

- Taking medication/administering injections
- Dressing wounds
- Using medical machinery
- Manipulating muscles or limbs

Property maintenance

- Changing light bulbs, tap washers, clearing gutters
- Minor home repairs
- Mowing lawns, watering, pruning shrubs, light weeding, planting
- Removing rubbish

Meal preparation

- Preparing ingredients
- Cooking food

Transport

- Going to places away from home

Paperwork

- Checking bills or bank statements
- Writing letters or emails
- Filling in forms

At Genesys, we want you to get the most out of life so you can take advantage of any opportunity and be prepared for any challenge — that's what wealth advice is all about.

For more information on the services offered by Genesys Wealth Advisers, please contact us on 1800 066 577.

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