TOTAL AND PERMANENT DISABILITY INSURANCE

Total and permanent disability (TPD) insurance makes a payment if you become ill or injured and can no longer work. It is an essential element of many financial plans.

HOW IT WORKS

The concept of TPD Insurance is quite simple. You take out a policy and the insurer agrees to pay you a lump sum if you become injured or ill and are permanently unable to work. You can insure for your 'own' occupation or for 'any' occupation.

TPD insurance is often taken out in conjunction with term life cover, which pays your loved ones if you die.

Most TPD insurance is 'guaranteed renewable.' This means that, once you start a policy with an insurer, they must allow you to renew that policy each year provided you do the right thing and pay your premiums in full and on time.

The details of TPD insurances can be complex, so it pays to use an adviser to ensure you get things right.

SUPERANNUATION

Many people take out TPD insurance through a super fund. This can reduce the overall cost of the insurance because of tax advantages available within super. When people arrange to 'replace' the premiums paid from their super, their overall retirement savings are not affected.

DO I NEED TPD INSURANCE?

If you or your loved ones would suffer if you became unable to work, then you should seriously consider TPD insurance. Unless you have some form of reliable 'passive income' that would continue if you are no longer able to work, TPD insurance is a critical component of a personal financial plan.

HOW DO I ARRANGE TPD INSURANCE?

The best way to take out TPD insurance is to see a financial adviser. The adviser can help you calculate the amount of insurance you need, what you can afford and how it should be arranged (for example, whether you need a combined life policy as well) and help you choose a reputable insurer with a good record of paying claims when they are made.

WHAT HAPPENS IF I NEED TO MAKE A CLAIM?

The easiest way to make a claim is to ask us to arrange it for you. We are expert in dealing with insurers and can ensure that everything runs as smoothly as possible.

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