

A close-up, slightly blurred photograph of a person's hands writing in a notebook. The person is using a black pen on a white page. A pair of black-rimmed glasses is resting on the right side of the page. The background is a soft, out-of-focus light blue.

UNDERSTAND YOUR INSURANCE COVERS

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Understand your insurance covers

Where are your insurance policies held?

You may have insurance policies in your superannuation account/s or outside of superannuation. Most policies inside a super account were set up by an employer as part of a group scheme, or by an adviser who was tailor making insurance advice for your situation. Policies held in superannuation are funded by the super account and owned by the superannuation trustee (although you will be the beneficiary of the policy). Policies held outside of super are funded by your personal bank account.

Note: it is possible to claim on more than one life, TPD and critical illness policy. However, overlapping Income Protection policies will not all pay you.

What are the features of your policy?

Each type of policy (Life, TPD, Critical Illness, Income Protection) will have particular features, for example –

Life insurance – **cover amount** (could be fixed or vary depending on your age). It may or may not have CPI increases. Taxation of policy benefits paid into superannuation depend on whether the beneficiaries are considered dependants from a super definition view.

Total & Permanent Disability Cover – may have an **own occupation** or **any occupation** definition. Taxation of proceeds of these policies will depend on whether they are held inside or outside of superannuation.



Critical Illness – types of illnesses you can claim for will depend on policy definitions and will be more comprehensive with a **premier** type product than a **basic** one. There are many other features that would have been chosen at the time the policy was put in place. CI cannot be held in superannuation.

Income Protection – **waiting period** (often 30 days but could be longer or shorter depending on how policy was set up), **benefit period** (typically 2 years, 5 years or to Age 65).

We will help you assess all the features and benefits of your policy to ensure you can claim as much as possible. There may also be buy backs or reinstatement options on some types of policies, so we will also check your policies for these features. For example, a CI policy with a reinstatement feature means that you can put it back into force for any other non-related illnesses you may get in the future after a specified period.

