

Did you know?



Peter Rushbrook
National Technical Manager

9 December 2011

CommInsure boosts its total and permanent disablement offering

This week's *Did you know?* looks at the enhancements delivered to your total and permanent disablement (TPD) customers, as part of CommInsure's recent MORE upgrade.

As part of our latest product upgrade, CommInsure has made several changes to its TPD offer. In summary, we have;

- added a built-in, no extra cost partial TPD benefit
- extended the own occupation TPD definition to selected blue collar workers
- improved the own occupation TPD definition by removing 'active employment' from the qualifying period, and
- reduced the minimum eligibility hours from 30 to 20 per week for TPD cover.

Partial TPD

Under the partial TPD benefit, available outside of superannuation only, CommInsure will now offer a payment of 25 per cent up to \$500,000 of the TPD sum insured, if the life insured suffers any of the following as a direct result of injury or sickness:

- The complete and irrecoverable loss of use of one hand
- The complete and irrecoverable loss of use of one foot or
- Partial blindness.¹

This means that clients who suffer one of the above conditions are now eligible for a payment. For example, if a client became partially blind and held a TPD policy for a sum insured of \$200,000, they would be eligible for \$50,000 (25 per cent). If the client held \$3.5 million in TPD cover, they would be paid \$500,000. This feature forms part of the CommInsure Guarantee of upgrade and is passed back to all eligible clients from 1997 onwards. N.B. the upgrade guarantee applies only for events which occur on or after the date of the updated definition being applied to the policy.

Own occupation TPD definition available for selected blue collar clients

CommInsure has also extended its own occupation TPD definition to cater for a larger range of clients. Specifically, selected light risk (Group L) and selected manual (Group M) occupation clients will now be eligible to apply for own occupation TPD cover with CommInsure.

Own occupation TPD definition – removal of 'active employment' requirement

In the past, CommInsure's own occupation TPD definition required clients to either meet a day one condition or be absent from active employment for at least 90 days. CommInsure's new definition states;

...the life insured has been absent from his or her own occupation a result of sickness or injury for a period of three consecutive months and at the end of the three months, the life insured continues to be incapacitated to such an extent that he or she will be unlikely to engage in his or her own occupation ever again, and is under regular treatment, and following the advice, of a medical practitioner...

¹ Defined as - The permanent loss of sight in one eye due to Sickness or Injury to the extent that:

- visual acuity is 6/60 or less in one eye or
- the visual field is reduced to 20 degrees or less of arc whether aided or unaided, and all as certified by an ophthalmologist.

This means that clients who are unlikely to ever work in their own occupation again but worked in another occupation within the three month qualifying period are now eligible to make a claim. For example, if a surgeon suffered a medical condition or injury which rendered him/her unlikely to be able to practice as a surgeon again, but they started as a university lecturer one month after suffering disablement, he/she would be eligible to submit a claim.

Reduced hours for eligibility to 20 hours

Both any and own occupation TPD is now available to your clients where they work at least 20 hours per week. Prior to this change, CommInsure required clients to work up to 30 hours (25 hours for some specialist occupations).

Summary

CommInsure has enhanced its TPD cover effective 20 November 2011. A partial TPD benefit of 25 per cent of the sum insured up to \$500,000 is now a built in feature to Total Care Plan TPD policyholders. Selected blue collar workers are now eligible for the own occupation definition of TPD cover. The active employment clause on the own occupation definition has been removed and clients who work 20 hours per week are now eligible for own or any occupation TPD cover. We are now providing more cover and more benefits to your clients.

For further details please visit the CommInsure adviser site and refer to the CommInsure Adviser Guide or contact your dedicated underwriter.

Important information

This information was prepared by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 (CMLA) for the use of advisers only and is not to be issued or made available to members of the public. The taxation information, social security information and examples are of a general nature only and should not be regarded as specific advice. It is based on the continuation of present taxation laws, superannuation laws, social security laws, rulings and their interpretation as at the issue date of this article. Advisers should refer to the relevant life company policy documents for further clarification. CommInsure is a registered business name of CMLA.