

Double TPD - Fact or Fiction?

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Do you sell Double TPD?
Are you aware of what it is and what it does?
If the answer is no, then please read on.

We will look at 6 of the companies that have Double TPD, and compare the differences.

The objective of this material is to help you understand the differences between your ratings and the ratings of someone else.

1. TPD – Double (Asteron)

If the Double TPD Payout Benefit applies, when we pay the TPD sum insured, the Death Benefit sum insured will not be reduced and all future premiums for the Death Benefit sum insured will be waived for the life of the policy.

The Double TPD Payout Benefit expires on the policy anniversary when you are age 65.

Your TPD cover will then convert to the Single TPD Payout Benefit with a **modified** TPD definition.

The premium will be recalculated based on our rates for Single TPD Payout Benefit, with modified TPD.

We will notify the policy owner when this conversion takes place.

The Double TPD Payout Benefit is not available if the Business Security Option applies to the policy.

**Our Comments: If all future premiums are waived, and this is being converted to a modified definition, then why do premiums need to be recalculated?
Is it because they are changing the Any/Own Occupation to the Modified version, in which case, we believe that the client “MAY” get a second bite at the cherry, subject to what if anything is charged.
Does the client have an option of acceptance of this modified TPD?**

2. TPD – Double (ING)

(This option only applies to TPD Cover for a life insured if it is shown in the Policy Schedule.)

If we pay (or begin to pay) the TPD lump sum (or instalment) amount insured for a life insured and the life insured survives the relevant survival period (as outlined in the table below) without life support, we will reinstate the Life Cover amount insured which was reduced by the payment of the TPD Cover amount insured.

TPD definition:	Part(s) of the definition to which survival period applies	Survival period Starts the date the life insured satisfies the TPD definition
Any Occupation,	1 and 5	0 days
Own Occupation and Home-maker	2, 3 and 4	8 days
Non-working	3	0 days
	1 and 2	8 days

We will waive premiums for the reinstated Life Cover from the date we pay (or begin to pay) the full TPD Cover lump sum (or instalment) amount insured until the life insured dies.

Indexation, Future Insurability and Business Guarantee Option increases are not available in relation to the reinstated Life Cover.

We will not reinstate Life Cover under the Double TPD Option if a benefit for terminal illness has been previously paid for the life insured.

The Double TPD Option expires at the policy anniversary when the life insured is age 65.

Our Comments: Why a survival period? If the client dies, then there will be no need to reinstate the life cover.

3. MetLife

For an additional premium amount, you can select cover for total and permanent disability under our Double pay option.

Under this option, if you become totally and permanently disabled we will pay your TPD Sum Insured without affecting your life cover.

Then upon your death, we will pay your life cover Sum Insured.

The premiums for your life cover Sum Insured are automatically waived after a payment for TPD, until your death or you turn 60, whichever comes first.

The Double Pay TPD option ceases on the first annual renewal date after your 65th birthday, after which time any TPD claim will be assessed under the Total and Permanent Disability Continuation Benefit.

Our Comments: Simple and easy to understand, but premiums will only be waived until the client's death, or they turn 60.

From this age, the client may still have a need the life cover, but premiums are now very expensive and worst of all, client is uninsurable.

4. PrefSure

If you choose Double benefit and the TPD Benefit becomes payable:

* the Death Benefit sum insured will not be reduced; and

* all future premiums due in respect of that part of the Death Benefit equal to the TPD Benefit paid will be waived.

Our Comments: Is this written in plain English or what?

5. Suncorp Metway

Called Death Cover Retention (Upon Total and Permanent Disablement) - Optional (extra cost)

Where TPD is attached to Yearly Renewable Term Life Insurance or Super Term Life Insurance, for an additional Premium you may nominate to include a Death Cover Retention Benefit on your Policy.

This means, if the Insured Person meets the conditions for Total and Permanent Disability as specified in this PDS, SLSL will pay the TPD Benefit without reducing the Death Benefit.

If you receive a TPD Benefit payment, your life insurance Premiums will be waived until the Renewal Date immediately prior to the Insured Person's 65th birthday.

Death Cover Retention Benefit is not available where Total and Permanent Disability is added as a Critical Condition to your Comprehensive Trauma Insurance Benefit.

**Our Comments: Simple and easy to understand, but premiums will only be waived until the clients death, or they turn 65.
From this age, the client needs the life cover, premiums are expensive and worst of all, client is uninsurable.**

6. Zurich

If you select double TPD cover, your level of Death cover is reduced by the amount of any TPD benefit paid to you, but will then be restored to the same level 12 months after the TPD benefit is paid.

Double TPD also contains a waiver of premium feature.

This means that once a double TPD benefit has been paid, premiums for Death cover equivalent to the amount of the TPD benefit paid will be waived until the Policy Anniversary before your 65th birthday.

Premiums will continue to be payable in respect of the difference between the total Death cover and the TPD benefit paid.

From the Policy Anniversary after your 65th birthday premiums for the full Death cover will resume.

On the Policy Anniversary before your 65th birthday, the double TPD cover will automatically convert to standard TPD cover.

Our Comments: Same comments as Suncorp Metway.

**Is it worth offering your client a complete package when it comes to TPD?
We certainly believe so, but do you believe so, or is your client informed enough to make this decision for themselves?**

Double Trauma - Fact or Fiction?

Now let us look at Double TPD.

Here we are only going to compare 2 products and include our comments.

1. Asteron:

If the schedule states the Double Recovery Option has been chosen and, while you are covered for the Double Recovery Option:

* we have paid the Recovery Benefit other than due to your death or terminal illness; and

* you are alive and at least 14 days have passed since you were first diagnosed with the serious medical condition, or you underwent the major surgery, for which the benefit was paid; or

* if the benefit was paid due to your total and permanent disablement, you are alive and 14 days have passed since the benefit due to your total and permanent disablement was paid,

we will reinstate the sum insured for the Recovery Benefit, but only for death cover and terminal illness.

We will confirm the reinstatement of the death cover and terminal illness and send the Policy Owner a new policy document.

The terms for the reinstated cover will be the same as those currently offered under our terminal illness and death cover.

The following conditions will apply:

* the reinstated cover will expire on the anniversary of the commencement date when you are age 99;

* premiums will be waived for the reinstated cover; and

* the sum insured can not be increased.

Cover for the Double Recovery Option ends on the anniversary of the commencement date when you are 65.

2. ING

(This option only applies to Trauma Cover for a life insured if it is shown in the Policy Schedule.)

If we pay (or begin to pay) the full Trauma Cover lump sum (or instalment) amount insured for a life insured, and the life insured survives for 8 days, without life support, after the date of diagnosis of the condition or the date of the procedure for which the Trauma Benefit was paid, we will reinstate the Life Cover lump sum (or instalment) amount insured which was reduced by the payment of the Trauma Cover lump sum (or instalment) amount insured.

This survival period is in addition to any time requirement which is specified within the definition of the relevant trauma condition.

We will waive premiums for the reinstated Life Cover from the date we pay (or begin to pay) the full Trauma Cover lump sum (or instalment) amount insured until the life insured dies.

Indexation, Future Insurability and Business Guarantee Option increases are not available in relation to the reinstated Life Cover.

We will not reinstate Life Cover under the Double Trauma Option:

- * if a benefit for terminal illness has been previously paid for the life insured or
- * if we pay (or begin to pay) only a part of the Trauma Cover lump sum (or instalment) amount insured, unless we subsequently pay (or begin to pay) the full balance of the Trauma Cover lump sum (or instalment) amount insured in relation to another trauma condition, in which case we will reinstate Life Cover up to the total of the Trauma Benefits paid.

The Double Trauma Option expires at the policy anniversary when the life insured is aged 65.

Our Comments:

How many of you are offering such Options to your clients.

You may say that we all do.

You may say that it's too expensive.

We can all come up with a truck load of reasons why we do or don't, but our belief is that if you do not at least offer these Options to your client, then someone else will, and ultimately, you may wind up losing that client.

As you may have realised that it is not about a ranking of A, B, C or D, and it's certainly not about premium/s, it's all about knowing what you are offering your client to make sure that he/she is yours for many years to come, after all, this is how our income is derived, is this not so?

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