Check this in your insurance now!

Almost everyone in Australia now has money in their super. These insurance policies can be complex, so you'd be forgiven for not knowing exactly what you have! Let's look at just one element of your insurance: total and permanent disablement, commonly known as TPD.

TPD insurance is cover that provides a lump sum payment if you are unable to work due to a permanent injury or illness. These funds can be used to replace income, provide disability access, or any other priority that you may have.

TPD policies are categorised into two main types: '**Any Occupation**' and '**Own Occupation**.'

ANY OCCUPATION

Any Occupation TPD insurance will pay out if you are totally and permanently disabled such that you will never be able to perform your current occupation again, or any other occupation which you would reasonably be expected to perform when considering your education, training, or experience.

OWN OCCUPATION

Own Occupation TPD insurance will pay out if you are totally and permanently disabled in a way that you will never be able to perform your current occupation again. This is the more expensive option, and there can be difficulty holding this sort of policy within super. Read on to find out why.

So, which do you need?

If you thought **Any Occupation** sounded vague and confusing, you'd be correct. What it means on a case-by-case basis has been debated in the courts extensively! This vagueness contributes to a complex claims process when it comes to TPD. According to ASIC's MoneySmart, the average claim time for TPD policies is 5.2 months, compared to just 1 month for life cover, 1.7 for trauma and 2.2 months for income protection!! The proof is in the pudding as they say!

If you're not sure which sort of TPD insurance you have, it's probably **Any Occupation**. Firstly, **Any Occupation** policies are normally a lot cheaper and therefore (prior to claiming) more attractive to people. Secondly, when it comes to **Own Occupation** policies held in super, you run into problems getting the money out. Super is 'preserved,' which means you generally only get your money out after your 55th birthday at the earliest.

There are some extreme exceptions: one is if you die, and another is if you experience 'permanent incapacity.' This is a separate legal definition from your insurance, and it lines up well with the **Any Occupation** definition, but not the **Own Occupation** definition. There is a solution for this problem though! You can set up two linked TPD policies. One in super and one outside of super. Understandably, for most people they are unaware about this difference, so they only end up holding **Any Occupation** cover.

None of this is to say that **Own Occupation** is the solution for everyone. There are many other issues to consider when applying for or reviewing your insurances. For the best protection we advise you to seek professional advice. Even if you already have a financial adviser, ask the question. Don't forget, your super is your money, and you want to make sure you're paying for what you need in super, and not paying for what you don't need.

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