

8 Income Protection Cover benefits in detail

Section 2 summarised the features and benefits available under Income Protection Cover. This section gives you more detail about these features and benefits. It is important you read this section of your policy carefully as it forms a part of your insurance contract if you have Income Protection Cover. This section also tells you when we will pay a benefit. To receive a benefit, you will also need to meet our claim requirements (section 12.8.5).

When we talk about income protection, we use 'you' to mean the policy owner and the insured person. We do this because payments for the Income support benefit will be made to the insured person.

There are two types of Income Protection Cover – Loss of Earnings and Loss of Earnings Plus. Check your policy schedule to see which one you have.

8.1 Loss of Earnings

If your policy schedule states that Loss of Earnings applies and you are disabled, we will calculate your Income support benefit as the lesser of:

- (i) the *monthly benefit*
- (ii) $(A - B) \times 75\%$; where:
 - $A =$ *pre-disability income*
 - $B =$ *monthly income and other income received while disabled.*

8.2 Loss of Earnings Plus

If your policy schedule states Loss of Earnings Plus applies and you are disabled, we will calculate your Income support benefit as the greater of:

- (i) $(\text{monthly benefit} - B)$; and
- (ii) $(A - B) \times 75\%$; where:
 - $A =$ *pre-disability income*
 - $B =$ *monthly income and other income received while disabled.*

Regardless of the benefit calculation result, the maximum we will pay is your *monthly benefit*.

If you have Mortgage and Rent Cover, we will not consider this benefit as *other income* when calculating (i) above.

8.3 Built-in benefits

This section explains the benefits that are built into Income Protection Cover. These benefits are available to you if your policy schedule says that you have Income Protection Cover.

8.3.1 Income support benefit

We will pay you the Income support benefit if, all of the following apply:

- you are disabled
- you were continuously disabled for the entire *waiting period*
- unless your disablement is a recurring disability (section 11.1.10), you have been continuously disabled since the end of the *waiting period*.

What we mean by disablement

For the Income support benefit, we will consider you to be disabled if, solely due to *injury* or *sickness*, your earning capacity is reduced and any of the following are true:

- your capacity to perform your *usual occupation* is reduced to less than 75% of the average hours you worked in your *usual occupation* before your *injury* or *sickness*
- you do not have the capacity to perform one or more of the important income-producing duties of your *usual occupation*
- your *monthly income* has reduced to less than 75% of your *pre-disability income*.

Your *injury* or *sickness* and incapacity to work must be supported by clinical evidence that is approved by us, and you must be following advice about that *sickness* or *injury* from a *registered doctor*.

Following the advice of a *registered doctor* means you are following that advice on an ongoing basis, including recommended courses of treatment and rehabilitation.

8.3.2 Flexi claim payments benefit

You can choose to receive your Income support benefit in weekly, fortnightly or monthly payments.

Payments will begin from the end of the *waiting period*. The *waiting period* you have chosen is shown in your policy schedule. After the end of the *waiting period*, payments will accrue from the first day of each period during which you are disabled.

To calculate the amount payable for weekly and fortnightly payments, we will multiply your Income support benefit by 12, divide it by 364 and then multiply it by the number of days; that is:

- Weekly – 7 days
- Fortnightly – 14 days

If an Income support benefit is payable for less than the agreed payment period (a week, a fortnight, or a month), we will use the same calculation method, multiplying by the number of days payable.

Payment is conditional on us having received all relevant information and the claim being accepted.

If your income changes

If the *monthly income* or *other income* you received, or could have received, changes during the payment period, we will adjust your following payment to take that into account.

You must tell us if you receive any *other income* retrospectively. We will adjust benefit payments we have already made to you based on this additional *other income*. You must reimburse us for any benefit overpayment.

8.3.3 Rehabilitation and Retraining Support benefit

We will work with you to put a plan in place to help your return to work if you become disabled and, in our opinion, your disablement is likely to last beyond your *waiting period*.

Contact us as soon as possible and we will discuss how we can help.

We will reimburse you for rehabilitation, retraining or support costs included in the agreed plan, if all of the following apply:

- you will be able, in our opinion, to return to a *gainful occupation* sooner with those expenses than without them
- we agree to the plan and any expenses before they are incurred
- these expenses are not being reimbursed from elsewhere.

Rehabilitation or support expenses may include (but are not limited to) government-sponsored or approved rehabilitation programme fees, wheelchairs, artificial limbs, prosthetic devices as well as house and car modifications and additional childcare assistance.

Retraining expenses may include (but are not limited to) government-sponsored or approved vocational training expenses.

We will make payments when all requirements of this benefit are met, and after we have received sufficient evidence.

Our acceptance of a claim under this benefit does not mean we will automatically accept another benefit on this policy.

The maximum we will pay under this benefit is 18 times the *monthly benefit* per claim. If you experience a recurring disability (section 11.1.10), we will only reimburse expenses up to the remainder (if any) of the 18-months' maximum payment under this benefit. If you experience a new disablement, a new maximum payment will apply.

8.3.4 When we will limit an Income Protection Cover benefit

As outlined in section 8.1 and 8.2, we will calculate the amount payable under the Income support benefit to reflect any *monthly income* and *other income* you receive or are entitled to receive.

If you are not working to your capacity, *monthly income* and *other income* will be calculated based on what we consider you could reasonably be expected to earn if you were working to the extent of your capacity. In our assessment we will consider all relevant information, including:

- the opinions of your *registered doctor(s)*
- the opinions of our medical and rehabilitation specialists
- results of any functional assessments you have undertaken.

We may compare your *monthly income* or other income from any business, partnership, trust, company or other entity to either your *pre-disability income* or your *market value*. If we find your income while disabled is disproportionately low, we will adjust your *monthly income* or *other income* to be proportionate and properly reflect of both of these factors.

When we review your *monthly income* and *other income* we will take into account factors including, but not limited to:

- your capacity to work while you are disabled
- any change in accounting practices where the effect is to alter your business expenses, *other income* or *monthly income* while disabled.

8.3.5 When we will stop paying you the Income Protection Cover

We will stop paying you the Income support benefit on the first to occur of the following events:

- you are no longer disabled
- the end of the *benefit period*
- the date cover ends under the policy (section 12.1).

8.3.6 When we will not pay an Income Protection Cover benefit

A benefit will not be paid if the event giving rise to the claim is caused directly or indirectly by any of:

- an intentional self-inflicted act, whether sane or insane
- your participation in any *criminal activity*
- pregnancy, miscarriage or childbirth, unless you are disabled for more than three months from the later of the date:
 - your pregnancy finishes, and
 - the date your disablement begins
 the later date being the date we will consider your disablement to have started.

We will not pay for any period while you are in jail or home detention.

8.3.7 Other built-in benefits shared by other covers

- Inflation adjustment (section 11.1.3)
- Grief support (section 11.1.5)
- Claim on leave without pay (section 11.1.7)
- Claim during unemployment (section 11.1.8)
- Premium and cover suspension (section 11.1.9)
- Recurrent disability (section 11.1.10)
- Disability reset (section 11.1.11)
- New parent premium waiver (section 11.1.12)
- Premium waiver (section 11.1.13)
- Income update (section 11.1.14)
- Overseas assist (11.1.15)
- Payment while overseas (11.1.16)
- Concurrent wait period (11.1.17)
- Funeral assistance (11.1.18)
- Elective surgery (11.1.19)
- Return to work (11.1.20)
- Accommodation (11.1.21)
- Transportation (11.1.22)
- Family assist (11.1.23)
- Dependent relative (11.1.24)

8.4 Optional additional benefits

This section tells you about benefits you can choose to add to your Income Protection Cover. See your policy schedule to confirm which optional benefits you have selected.

8.4.1 Optional benefits shared by other covers

- Needlestick (section 11.2.1)
- Kids Cover (section 11.2.3)
- Mental health discount (section 11.2.4)
- Increasing claim (section 11.2.5)
- Redundancy (section 11.2.6)
- Income top-up (section 11.2.7)
- Immediate assist package (section 11.2.8)
- Specific injury support (section 11.2.9)

8.5 When Income Protection Cover ends

Income Protection Cover ends on the earliest of:

- the date you permanently leave the workforce or permanently cease being available for *full-time work*. This is for any reason other than disablement leading to benefits being payable under the policy
- the date we receive your letter asking us to cancel your Income Protection Cover
- the date on which all benefit entitlements under Income Protection Cover end
- the expiry date of the Income Protection Cover
- your death.

See section 12.1 for more information about when your policy begins and ends.