

# webinar



## Income Protection 'sweet spots' and client strategies to consider

*with David Spiteri*

*Tuesday 18 October | 11:00am-12:00pm*



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# Today's webinar

- One hour of CPD available, the AFA will send details within the next week.
- As a webinar attendee you will remain on 'mute' throughout the session.
- Questions will be answered at the end of the presentation. Please use the Zoom Q&A function (not the chat function).



INCOME PROTECTION "SWEET SPOTS" AND  
STRATEGIES TO CONSIDER

PRESENTER – DAVID SPITERI  
LIFE TECH ASSIST – FOUNDER & OWNER



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# Agenda

- Retail Insurers Income Protection Product Offering Highlights
- Tailoring Client Scenarios
- Historic View of Income Protection Claims
- Questions



# AIA

## Product Suite

- **Income Core**
  - IP CORE Flat 70% to age 65
  - 5-year Benefit Structure: Flat 70% Own occupation structure
- **5 Year Rate Guarantee (2 & 5 Year Benefit Periods)**

# AIA Priority Protection

## Highlights

- Optional Wellbeing Program – Vitality
- Disablement from war is not excluded
- Annual or long service leave taken is not used to offset the benefit
- Minimum Entry Age - 15
- Needlestick Industry Benefit (Core +)

# AIA Priority Protection

## Highlights

- Partnered with Medix – support for clients dealing with a medical condition
- 5 Year Benefit Period per Event



# Clearview

## Product Suite

- ClearChoice – Accidental IP
- ClearChoice – Income Protection

## Highlights

- Accidental IP Cover
- Annual or long service leave taken is not used to offset the benefit

# Clearview

## Highlights

- Involuntary Unemployment Benefit
- 30 month “Own Occupation” Total Disability definition before definition change to “Any”
- No Passive Income Offset
- Death & Terminal Illness Benefit = 6 times monthly benefit whilst on claim or not
- TPD Lump Sum Option – Option to choose for TPD Lump Sum for significant disabilities
- Booster Benefit Available

# Clearview

## Highlights

- Specified Events Option – “Bed Confinement”, “Fracture of specified bones”, Loss of use of limb/eye”
- Future Increase Benefit – Increase up to 15% for specified events.

# Integrity Life

## Product Suite

- Here for You – Income 50
- Here for You – Income 60
- Here for You – Income 70

## Highlights

- Annual or long service leave taken is not used to offset the benefit
- Own Occupation definition for 5 year benefit periods
- 2-year base premium rate guarantee
- No monthly premium loadings



# Integrity Life

## Highlights

- Total Disability Top Up – up to 90% of pre-disability earnings for the first six months
- No policy fees
- No Passive Income Offset
- Involuntary unemployed and parental leave cover
- 60 days, 180 days & 2 year waiting periods

# Integrity Life

- **Care Support Package with lump sum cover**
  - ✓ Bed Confinement - confined to bed for at least 3 days (\$250 per day)
  - ✓ Accommodation bedside attendance
  - ✓ Accommodation funeral attendance
  - ✓ Grief Support
  - ✓ Child Support
  - ✓ Occupationally Acquired Needlestick
  - ✓ Overseas Assistance
  - ✓ Family Support
  - ✓ Terminal Illness Care
  - ✓ Home Care

# MetLife

## Product Suite

- Standard Income
- Standard Income with Disability Extras

## Highlights

- “Own” Occupation Definition for duration of the Benefit Period – 1, 2 & 5 Year benefit Periods
- 1 year benefit period available

## Highlights

- **Trauma Benefit** – up to 90% of pre-disability earnings for the first 6 months in the event of Cancer, Stroke, Heat Attack, & Coronary Artery Bypass Surgery
- Passive income will not offset the benefit payment
- **Disability Extras Option**
  - **Home Help Expense Benefit** – up to 90% of pre-disability earnings for the first 6 months
  - Cover up to 90% of the insured's income for the first 6 months



## Highlights

- Not required to be totally disabled during the waiting period
- Access to 360Health and 360Health Virtual Care at no extra cost.

# MLC Life

## Product Suite

- Income Assure
- Income Assure +

## Highlights

- 14 day & 1 year waiting period available
- Extended Cover Option - Benefit period up to age 70
- Booster Benefit Available

# MLC Life

## Highlights

- Trauma Benefit – Waiting Period Waived
- Waiting Period Conversion – 2 Years to 90 Days with no Medical Evidence
- Inactive Employment - Disability assessment will not be altered if the Insured is unemployed for 12 months
- Annual or long service leave taken is not used to offset the benefit

## Highlights

- Death Benefit up to 6 times monthly benefit (Max \$60k) whilst on claim or not
- Access to Vivo – Previously Best Doctors Service & Support programs
- Severe Disability Terms Removal Option (Assure+)
- Accidental Injury Benefit (14 & 30 day waiting period) (Assure+)



# NEOS

## Product Suite

- Income Support Standard

## Highlights

- Inactive Employment - Disability assessment will not be altered if the Insured is unemployed for 12 months.
- Extended Care Option – no reduction of monthly benefit
- Other employer/business income may not be used to offset the benefit

# NEOS

## Highlights

- Involuntarily Unemployment Benefit
- Death Benefit up to 6 times monthly benefit (Max \$50k) whilst on claim or not
- 3 Year Rate Guarantee

## Encompass Protection Income

- Underwritten by MLC
- Booster Benefit (Optional)
- \$10k Death benefit whilst on claim or not
- Access to Encompass Services
  - ✓ Enhance
  - ✓ Recovery
  - ✓ Assist
  - ✓ Cancer Aid Coach Program
  - ✓ Mindset4Life

# OnePath

## Product Suite

- Income Secure
- Living Expense Cover

## Highlights

- Option to Extend Benefit Period to age 70
- Specified Events – Up to 90% of Pre-disability Earnings for the first 6 months
- 6 Year Benefit Period per Event
- Inactive Employment - Disability assessment will not be altered if the Insured is unemployed for 12 months.



# OnePath

## Highlights

- 6 Year benefit Period
- Conversion to Living Expense Cover
- Waiting Period Conversion – 2 Years to 90 Days with no Medical Evidence
- Severity Based Definition after two years on claim
- Severity Booster Option - Increases the monthly benefit payable by 20% for specific conditions during the first six months on claim
- **Living Expense Cover** - (For casual workers, home-makers, etc.) Provides support income during times of significant illness or injury
- Maximum Entry Age – 75NB

# PPS Mutual

## Product Suite

- Professionals Choice – IP Select
- Professionals Choice – IP Select with 2 yr top up

## Highlights

- Insurance available only to life insured's that practice in the medical, commercial & legal and industrial industry (23 occupations)
- "Own" Occupation Definition for duration of the Benefit Period

# PPS Mutual

## Highlights

- Eligible to participate in profit share plan

### Profit-Share Plan has been in-force for:

Less than 10 years

Nothing is payable

10 to 20 years

Member can take 5% of their Profit-Share Account after 10 years, plus a further 5% for each complete year over and above 10 years, less any previous percentage withdrawals

Over 20 years or from age 65  
(and other events listed above)

Member receives balance of their Profit-Share Account

# PPS Mutual

## Highlights

- Death Benefit up to 6 times monthly benefit (Max \$60k) whilst on claim or not



# TAL

## Product Suite

- Accelerated Protection - IP Extend
- Accelerated Protection – IP Enhance
- Accelerated Protection – IP Focus

## Highlights

- IP Focus - “Own” Occupation Definition for 5 Year Benefit Periods
- IP Enhance – IP Reset Benefit after 24 months on claim
- IP Extend – Insured Monthly Benefit for policy duration

## Highlights

- Average of 24% cheaper than competitors & 48% for the policy duration (IP Enhance)
- Annual or long service leave taken is not used to offset the benefit
- Product Designed Based on IP claims paid by TAL over a five year period
- TAL Well Being Program
- Bed Confinement Benefit
- Elective Surgery Benefit

# Zurich

## Product Suite

- Active Income SafeGuard
- Wealth Protection Income Safeguard

## Highlights

- Consider Monthly Benefit >\$30k pm with 1 or 2 year benefit period
- 5 Year Benefit Period per Event
- 1 Year Waiting Period Available
- 1 Year Benefit Period Available
- Benefit is paid bi-monthly on initial benefit

# Zurich

## Highlights

- Waiting Period Conversion – 1 or 2 Year to 90 Days with no Medical Evidence
- Severity Booster Option - Increases the monthly benefit payable by 20% for specific conditions during the first six months on claim
- Future Insurability Option



# Research Observations

<i>Monthly Benefits above \$30K per month</i>	Clearview, Zurich
<i>Individuals requiring an immediate benefit in the event of an accident e.g. Tradies</i>	Clearview, MLC, OnePath
<i>Clients looking to maximise their initial benefit amount</i>	Insurers that provide a "Booster" option
<i>Clients that spend large amounts of time overseas</i>	All insurers except Encompass, MetLife, MLC and TAL
<i>Seeking home or child care assistance whilst on claim</i>	Met Life
<i>Individuals that do not qualify for insurance medically</i>	Clearview - Accident Only Policy
<i>Uninsurable Occupations</i>	OnePath - Living Expense
<i>Clients with other business income that want no offsets</i>	Clearview, MLC, OnePath
<i>"Own" Occupation definition to age 65</i>	PPS Mutual (Limited Occupations)
<i>Clients that have no death cover</i>	Encompass, NEOS, Clearview, MLC, Zurich



# Research Observations

Client Scenarios	Insurers to Consider
<i>Insurance Premium "Rate" Guarantees</i>	AIA, Integrity Life, NEOS
<i>Ancillary benefits similar to pre October 2021* ( Client must hold lump sum cover with Integrity Life)</i>	Integrity Life*
<i>Clients with large amounts of sick leave</i>	AIA, Clearview, Integrity Life, MLC, OnePath, TAL, Zurich

# IP Claims Statistics

The average amount of claims submitted on a book of 1000 in-force IP policies:-

- 20 claim submissions (2%)

The averages on a book of **1000 IP claims**:-

- 88% will be off claim before 5 years (880 clients)
- 12% of these clients will remain on claim after 5 years (120 clients)
- Of those remaining (120 client) 70% will be assessed as "Own Occupation" TPD (84 clients)
- 36 of 1000 IP claims remain long term partial disabled



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# Thank You

Contact Details:-

David Spiteri

[David.Spiteri@lifetechassist.com.au](mailto:David.Spiteri@lifetechassist.com.au)

[www.lifetechassist.com.au](http://www.lifetechassist.com.au)

Ph. (07) 4948 2205



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- All registrants will receive an email confirming when available
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**Thank you for joining us today**

