IM LAWYERS



How to make an income protection claim

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Income protection insurance (sometimes called salary continuance), is a type of insurance that provides a benefit to someone if they become sick or injured and are unable to work. In this blog, we look at how income protection benefits work, who is entitled to income protection, how to lodge your claim what happens if your claim is rejected.

If you've been injured, whether at work, in a motor vehicle accident, or elsewhere, it can place a large strain on your finances. If you're not able to claim worker's compensation or motor vehicle accident compensation, then income protection insurance may be the thing that gets you through until you can start work again.

What benefits are payable under an income protection claim?

Every income protection policy is different but generally, if your claim is successful, your income protection insurer will pay around 70-75% of your 'normal weekly earnings' (plus super contributions) for a period of usually two years.

Some funds pay benefits in excess of two years and some pay through to 65 years of age. Generally, the longer any benefits will be paid, the more expensive the insurance is to purchase.

You will have to pay tax on this income just as you would any other type of income. Notably, you may still be able to receive worker's compensation benefits while receiving income protection payments, however, the income protection payments may be adjusted to reflect this. Again, this will vary from policy to policy.

Income protection insurance wait periods

Income protection insurance policies will generally be subject to a standard waiting period which must pass before you are eligible to receive income protection payments. Waiting periods are used by insurance providers to prevent claimants from using their

policy when they are unable to work for a short period of time due to injury or illness.

Each insurance provider will have a different waiting period, but generally, waiting periods range between 30 and 90 days.

If you're not sure how to check or change your policy wait period, get in touch and we can have a look for you!

It costs you nothing to find out where you stand: 1800 001 339

Do you have income protection insurance?

Some people have a stand-alone income protection insurance policy (purchased directly from an insurer or through a broker), similar to the way you might have a car insurance policy that isn't linked to any superannuation fund.

However, most people don't know that their superannuation fund might include some level of income protection insurance cover. So, you should look at your superannuation policy to see if you are covered for income protection. If you have more than one policy, remember to check them all for what insurance cover you have.

If you're not sure how to check your policy, get in touch and we can have a look for you! It costs you nothing to find out where you stand.

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Lodging an income protection claim

If you are injured and unable to work, it is important to act quickly to find out if you have income protection insurance, as there can be strict time limits for lodging your claim. These time limits vary from policy to policy. The time frames will usually be found in the terms and conditions of the income protection policy.

Many insurers allow you to apply online for income protection claims, however, there will usually be a significant amount of correspondence to follow once the online application is lodged. This process will likely involve having to obtain:

- medical certificates;
- statements from your employer;
- providing tax information;
- providing information if you are receiving Centrelink benefits; and
- information about any other income documents.

The process of gathering the right information to lodge with your claim, to optimise success, can be daunting and exhausting, particularly given you are already dealing with illness or injury.

To avoid the hassle of dealing with the insurance company and all their demands and requirements, get in contact with us and we can help you get your claim accepted!

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What if my income protection claim is rejected?

It's not uncommon for income protection claims to be declined or rejected, in the first instance. It's important to not give up. Do not simply accept the first decision of the insurance company.

Although every income protection policy is different, all policies allow you to seek an internal review if your claim is rejected (or if you have any other dispute regarding your claim). You will need to lodge an internal dispute resolution (IDR) complaint if you wish to have an adverse decision about your income protection claim reviewed.

If an IDR is unsuccessful, another step available is to appeal to the Australian Financial Complaints Authority (AFCA). This process can be complex and there are strict time limits. It is crucial you seek legal advice if you intend to appeal to AFCA.

Finally, if you've exhausted both the above appeal options, you may choose to take your matter to court. Taking the option to litigate is serious. The process is complex and again, there are strict time limits. Seeking legal advice from a lawyer experienced in super insurance claims, is crucial.

Get help from an income protection lawyer?

We've worked in super and insurance claims for many years and helped many Australians with successful income protection claims.

If you would like help lodging your claim or advice about your right to review or appeal an adverse decision, get in touch with us and we will give you the help you need.

This article is of a general nature and should not be relied upon as legal advice. If you require further information, advice or assistance for your specific circumstances, please contact us.