



Rejected TPD Claims – why claims are rejected and how you can appeal

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Total permanent disability claims or TPD claims provide a lump sum payment to insured individuals who are unable to continue working due to illness or injury. The illness or injury does not need to be work-related in order to be eligible for a TPD claim. Claims may be due to a physical injury or illness, or a mental health condition. Sometimes, TPD claims are rejected, and it's important to understand your options if this happens to you.

TPD claims can be a lengthy and often complex process. It can often be worthwhile considering engaging a lawyer to secure a successful TPD claim.

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If your TPD claim is rejected, this can be stressful and frustrating, but it does not necessarily mean that you cannot receive compensation for loss suffered due to your injury or illness. There are options to appeal a decision to deny your claim.

Reasons your TPD claim may be rejected

There are some common reasons why TPD claims may be rejected, though it is important that if and when you receive a denied TPD claim, you pay careful attention to the reasons provided by the insurer.

We explore three common reasons for an insurer may reject your TPD claim.

The claim does not meet the insurer's definition of total permanent disability (TPD)

Not all insurers have the same definition of TPD, therefore, it is critical that you or your

legal representatives carefully consider the relevant policy documents to determine what constitutes a TPD claim – the meaning of TPD to claim on that particular policy.

It is also important to consider whether there may be other insurances where you may have cover for other types of injuries should an insurer determine your injury or illness does not satisfy their definition of ‘total permanent disability’.

For example, some insurers provide temporary disability insurance to capture illnesses or injuries that do not satisfy TPD requirements. This enables alternate avenues to obtain compensation loss due to illness or injury.

Insufficient evidence or evidence provided isn’t accurate or complete

It is important to consider the quality of the documentation provided when lodging your TPD claim. Evidence provided should include the totality of evidence relating to your claim as best as possible.

Insurers have the ability to inquire and source further material, though it is best where practicable to ensure the bulk of important documentation and evidence is provided when the claim is originally submitted.

Throughout the claims process, insurers may request additional documentation, which can be supplemented throughout or as directed. They may also require you to attend an independent medical examination (‘IME’), and there are very limited circumstances where you can refuse to attend an IME.

Preparing your claim thoroughly and accurately before submitting it will certainly lead to a higher likelihood of success. It is not unusual for claimants, who are sick and injured, to be unable to complete claims to the level of detail and accuracy required. This is where a TPD lawyer can be extremely beneficial to a successful TPD claim.

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The insurer’s assessment finds that the insured can work in some capacity

Though there are other reasons why this reason may be referenced in a rejection letter regarding a TPD claim, unfortunately, it is common for this reason to be used in response to TPD claims for mental illness-related claims.

Common mental health injuries or illnesses include:

depression;

anxiety;

stress;

post-traumatic stress disorder (PTSD);

bipolar disorder;

schizophrenia;

and more.

TPD claims due to mental health can be more complicated

It is important to note that the above is not an exhaustive list of the mental health conditions that may qualify for a TPD claim. If you cannot continue to work due to one of the mentioned or another mental health condition, then you might be eligible for a TPD claim.

Though these mental illnesses are not exempt from TPD claims, they can be very complicated to evidence and document in comparison to physical injury or illness.

Part of the reason for this complexity is that to make a TPD claim, one must show that the mental illness or injury has totally and permanently prevented the insured from their ability to work. If your mental illness TPD claim has been rejected, you should seek legal advice from a TPD lawyer as soon as you receive that notification.

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Options to appeal a rejected TPD claim

Whether an insurer has provided you with one of the three common reasons referenced above, or another reason for denying your TPD claim, it is important to contact a lawyer to discuss possible options.

Typically, if a TPD claim is rejected, you may first consider providing additional evidence for reassessment. If this is not an option provided by the insurer, the following options may be available.

Lodge a formal complaint with the insurer's internal dispute resolution (IDR) department;

Appeal a decision of the insurer with the Australian Financial Complaints Authority (AFCA) – note there are strict time limits related to appeals with AFCA; or

Initiate court proceedings challenging the insurer's decision.

Though these options may be available to you, it is critical that once you receive a rejection decision, to seek urgent legal advice about your rights and next steps.

Get help from a TPD lawyer

IM Lawyers has a team of experienced lawyers working in super and insurance for many years. TPD claims can be a stressful and complicated process, but they don't have to be.

If you would like assistance navigating your claim or have recently received a denied claim notification, get in touch with us so we can give you the help you need. It doesn't cost you anything to find out where you stand.

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.