



📷 Sunsuper says members had told them the fund had “walked away” after making a payout.

■ QLD Business ■

# Sunsuper TPD insurance change: fund says 6-year payout scheme to help members but Watson Law says problems loom

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SUNSUPER has rejigged a permanent disability insurance payout, a change a consumer lawyer warns will make claims harder.

But the superannuation fund argues it actually makes the service faster and easier.

Brisbane-based Sunsuper is a member-owned fund in an industry battling spiralling levels of claims under total and permanent disability insurance. This is the kind of insurance that

kicks in when a person no longer can work.

Up until now, Sunsuper has made lump sum payouts. But the new system from July will spread that payment out over six years, depending on your type of claim. A person under the six-year regimen will be tested each year and have to undergo rehabilitation.

There's a special lump sum carve out for people with specified conditions; Sunsuper cited the example of someone who became a quadriplegic after a car accident and unable to work again.

But insurance-specialist lawyer Paul Watson of Watson Law Group argued people with ailments such as chronic arthritis might be disadvantaged. The new policy reduced the payout value in real terms and added "extra layers" of unnecessary claims assessment, he said.

"It's been designed to make claims more difficult," Mr Watson said.

But Sunsuper's head of products Wanda Britton rejected that the changes were designed to make it harder. "What we're actually trying to focus on is making it easier, making it faster for members to receive their money," she said.

Ms Britton argued most waiting periods, which have taken up to six months, would be removed for its 750,000 policyholders. Premiums also would fall up to 30 per cent - in one example a 35-year-old male's weekly payments dropped from \$4.80 to \$3.36.

Still, Ms Britton conceded the changes could mean "over the longer term we do expect that we will pay less full insurance claims".

But a survey had shown that 36 per cent of people who had been paid a TPD claim had returned to work or were actively seeking employment, she said.

"Members (in the survey) said to us we paid them a TPD claim and they got a lump sum benefit and then the fund walked away," she said. "The feedback we got from overwhelming number of the claimants was, 'You left me when I needed you most, you could have done more for me'."

Conditions such as chronic arthritis did not fall under the currently envisioned list of special conditions that qualified for a lump-sum payout, but Ms Britton said over time some ailments would be added or removed based on claims experience.

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