

MEMBER ENGAGEMENT

Member blog – Value of insurance

The following member content has been prepared by TAL for use by partner superannuation funds for their members. It is available to use in white-label format for communications and is designed to provide information for members on positive ways to support their overall wellbeing. Your own internal approval process including legal requirements are required prior to publishing.

-BLOG-

What types of insurance are available through super?

Have you ever wondered about the different types of insurance available through your super fund? There are three main types, and they all have a different purpose.

1. Life insurance

What is it for?	How is it paid?
Life insurance, also known as death cover, provides financial support to your loved ones if you pass away or are diagnosed with a terminal illness.	Life insurance is a one-off lump sum payment. It will be paid to you if you're diagnosed with a terminal illness, or to your loved ones if you die. It can be used to pay off debts, manage ongoing expenses, or provide your loved ones with more security in retirement.

2. Total and Permanent Disability insurance

What is it for?	How is it paid?
Total Permanent Disability (TPD) insurance supports you financially if you become permanently disabled due to an accident or illness and can no longer work.	TPD insurance provides you with a one-off lump sum payment. It's intended to pay for costs like medical treatments, rehabilitation or home care. You can also use it to cover your ongoing living expenses.

3. Income Protection

What is it for?	How is it paid?
If you're unable to work for an extended period due to an illness or injury, Income Protection provides regular payments to replace part of your income. If you need to reduce your working hours or change the type of work you do due to illness or injury, you may also be eligible to make an Income Protection claim.	Income Protection pays you a percentage of your pre-tax income in regular payments (usually monthly) while you're unable to work. It's intended to help cover your living expenses while you're not earning an income, or if you're earning less than usual.

Even though they may seem similar, there's a difference between Workers Compensation and Income Protection. Workers Compensation pays you a benefit if you get sick or injured as a direct result of your job. Income Protection also pays you a benefit if you're injured or ill and unable to work, but the reason doesn't need to relate to your job.

What's the right amount of insurance cover?

This is different for everyone, and the amount will likely change many times throughout your lifetime.

You may need a higher level of cover during times of your life when you have more debts and expenses. People often reduce their cover when they're older once they've paid off their mortgage and are no longer financially supporting their children.

Determining which level of cover is right for you can provide valuable peace of mind. If you have dependants who rely on your financial support or debts that your family would struggle to pay off without your income, having adequate life insurance can reduce financial stress for you and your loved ones.

Determining the right level of cover can provide invaluable peace of mind. If you have dependants who rely on your financial support or debts that your family would struggle to pay off without your income, having adequate life insurance can significantly reduce financial stress for you and your loved ones.

The [TAL Life Insurance Calculator](#) can give you an idea of how much cover you might need if the unexpected happens. You can ask your super fund or a financial adviser for guidance.

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