



# BONGIORNO

For future financial health

## What is the difference between TPD and Income Protection?

The main difference between TPD and income protection insurance is the type of coverage they provide.

TPD insurance pays a one time lump sum if you become permanently disabled and unable to return to work. Income protection insurance provides regular payments to replace your income if you are unable to work due to illness or injury.

### Do I need TPD and Income Protection Insurance?

Your ability to earn an income is one of your most valuable assets, providing for both you and your loved ones. When choosing insurance policies, it's essential to review your options carefully to find the ones that best meet your requirements. Combining covers like TPD and Income Protection will depend on your specific circumstances. For example, if you have a comprehensive Income Protection policy with a benefit period up to age 65 or 70, you may not need as much TPD coverage.

### Can you claim TPD and Income Protection at the same time?

If you meet the policy definitions for both your Income Protection and TPD insurance, you can potentially make claims for both simultaneously. However, the monthly benefit you receive from your Income Protection policy may be affected by any lump sum payments you receive under your TPD policy. Some policies include an offset clause that reduces the monthly benefit payment by the amount of any lump sum payment made for the same condition. The specific details regarding any offset clauses can be found in the Policy Disclosure Statement (PDS) for the policy.

### TPD Cover is not a substitute for Income Protection Insurance

While TPD cover provides a lump-sum payment in the event of total and permanent disability, it is not a replacement for Income Protection insurance. If your Income Protection policy has a short benefit period (2 or 5 years), you may consider purchasing higher levels of TPD coverage. Combining TPD coverage and Income Protection insurance under the same insurer can sometimes result in premium discounts.

All personal insurance policies are tailored and specific to each individual. To ensure you have adequate protection in the event of an unexpected illness or injury and to discuss your situation in more detail, contact us to speak with one of our specialist risk advisers.

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