



Comparing Disability Cover

What is the difference between lump sum cover and income protection?



Lump Sum



How it works

Pays a lump sum (sum insured) on diagnosis of permanent disability from which you will not recover.

Protection level

Depends on:

- Sum insured
- How you invest the lump sum
- How much you draw from that lump sum

Useful for

- Paying off debt
- Providing for children's tertiary education
- Home adaptations
- Assistive devices such as wheelchairs

How often can I claim?

Only once.

How long before I can claim?

Only when permanent disability is proven.

Valuable when...

Life expectancy is short.

Income Protection



How it works

Pays an ongoing income on diagnosis of permanent disability or temporary disability eg. mental illness, injury, or severe illness such as cancer from which you will recover.

Protection level

Depends on:

- Income level you chose to insure
- Annual increase you chose - can match inflation

Guaranteed to pay until you can work again or you retire or die.

Useful for

- Replacing your income

How often can I claim?

More than once - whenever you are temporarily or permanently disabled.

How long before I can claim?

Depends on the chosen waiting period.

Valuable when...

Life expectancy is long.