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Let's Get Technical: ClearView's Accident-only covers

As part of its ClearChoice product suite, ClearView is one of the few life insurers in Australia that offer Accidental Death, Accidental Total and Permanent Disability (**TPD**) and Accidental Income Protection to its clients. Although they are not designed to replace the need for comprehensive term life, TPD or income protection cover, they may be the only options for those clients who cannot obtain full term life, TPD or income protection cover due to their medical history or if affordability of premiums is an issue. They can also be used to top up existing comprehensive term life, TPD and income protection covers.

For Accidental Death Cover, the minimum and maximum benefit amounts that can be applied are $50,000 and $20,000,000 respectively (the latter across all Accidental Death and Life covers with ClearView).

For Accidental TPD Cover the minimum and maximum benefit amounts that can be applied for are $50,000 and $2,000,000 respectively (the latter across all Accidental TPD covers with ClearView or other insurers).

For Accidental Income Protection Cover, the minimum insured monthly benefit amount is $1,500 (including any superannuation contributions) and the maximum insured monthly benefit amount is $20,000 (including any superannuation contributions) across all income protection and accidental income protection covers with us or other insurers. This is calculated as 1/12 of: 60% of regular annual income.

For more information, see ClearChoice PDS

All of ClearView's accident-only covers are available inside and outside super. The only premium type available for all accident-only covers is variable age-stepped premiums. The premium structure for both full and accidental covers vary by age, gender and occupation (and for income protection by waiting and benefit periods). The only difference is that premiums for accident-only covers do not vary by smoker status. These covers are a lower cost alternative to full covers because they only provide cover as a result of an accident (not as a result of a sickness).

Accidental Death and Accidental TPD are also a valuable tool in business succession advice. Where there are two or more business principals looking for buy/sell insurance funding in accordance with their buy/sell agreement, a term life and TPD cover recommendation may be compromised where one of the principals does not qualify for full cover. In that situation, Accidental Death and Accidental TPD cover may be an acceptable alternative to fully featured cover. These covers could also prove useful in advising on key person capital and revenue purpose life risk insurance.

Accident-only cover will not pay a benefit for sickness

It's important to note that the accident-only cover that ClearView provides does not extend to sickness. If a policy owner has Accidental Income Protection or Accidental TPD Cover, a benefit will only be payable if the insured person becomes disabled (as per the relevant definitions in the PDS) solely and directly as a result of an accident and independent of any other cause. No benefit will be payable if the insured becomes disabled due to sickness.

If the policy owner has Accidental Death Cover, a benefit will only be payable if the insured dies solely and directly as a result of an accident and their death is independent of any other cause. No benefit will be payable if the insured dies dues to sickness.

For Complimentary Interim Accident Cover, disability (if the policy owner has applied for Accidental TPD or Accidental Income Protection Cover) or death (if you have applied for Accidental Death Cover) must occur within 90 days of the accident. Please refer to page 88 of the PDS for the full terms and conditions.

Death or injury must be independent of any other cause

For a benefit to be payable, an insured's death or injury (depending on the type of cover) must be solely and directly as a result of an accident and must be independent of any other cause. For more information, please refer to the following pages of the PDS: 38 for Accidental Death Cover, page 43 for Accidental TPD Cover and 69 for Accidental Income Protection Cover.

Below are two scenarios where an injury is unlikely to be considered independent of any other cause. In these cases, benefits would not be payable.

Example 1

Prior to taking out accident-only cover, Tim had a history of back injuries for which surgery had previously been required. Tim experiences ongoing chronic pain from the injuries. While out on an errand, Tim slips over and aggravates the back injury which leads to disablement. Assessments undertaken by medical professionals conclude that disablement is due to aggravation of the pre-existing injury and not a new injury. As such, the injury sustained from the fall is unlikely to be considered independent of any other cause and a benefit is not payable.

Example 2

Tom is a labourer and five years ago, prior to taking out cover, was diagnosed with a repetitive strain injury in his right arm, which occasionally flares up due to his work. After performing some heavy work, Tom has intense pain in his right arm, similar to what he had previously experienced. He attends his doctor, who diagnoses him with an aggravation of his previous repetitive strain injury. The injury sustained from work is unlikely to be considered independent of any other cause and a benefit is not payable.

A scenario of where an accident is likely to be independent of any other cause is below. In this example a benefit would be payable providing all other relevant terms and conditions are met.

Example 3

Prior to taking out accident-only cover, Jess had a history of shoulder injuries and had previously undergone reconstructive surgery. Jess continues to experience pain and discomfort in and around the shoulder. While out running, Jess trips over and fractures her lower leg which leads to disablement. Jess has never experienced any prior issues with her left leg. In this instance, disablement is due to Jess's fractured leg. The injury and subsequent disablement from the accident is likely to be considered independent of any other cause and provided other cover requirements are met a benefit will be payable.

Summary

ClearView's accident-only product suite is a lower-cost alternative to full Life, TPD or Income Protection covers, suitable for insured persons who cannot get full coverage due to their medical history or for clients for whom affordability of premiums is an issue. It is important to note that these covers are accident only and do not extend to sickness and also that an insured's death or injury must be solely as a result of an accident and independent of any other cause.

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