

## **Important notice received from Nigel Fenton regarding the Income Protection market**

We spoke recently about a major change directed by APRA for the Income Protection market that will commence on 1 October this year.

In fact, it is the most substantial change I have seen in my 33 years in this industry.

Please inform all clients/colleagues to have their Income protection status reviewed ASAP! (Especially the self-employed)

Any new IP policies taken out after this date will be very much inferior in benefits & definitions compared to currently available policies.

There are many changes in benefits & definitions.

Two of the differences will be the change of occupation definition from own to any suitable occupation after 2 years of a claim.

- So, the claimant may be forced to take up work other than their chosen vocation.

Also, in the event of a claim the policy holder will have to provide proof of income over the previous 12 months.

- Rather than the more generous previous 36 months (currently available) , therefore a lower benefit may be payable.

Even existing policies should be reviewed, because you may be stuck with an inferior contract after 1 October that could be upgraded prior to the changes.

Please feel free to send this message to anyone who may have / should have this type of cover in place,

if they do not have a current specialist risk adviser to speak with, have them contact me on 0413755501. (Anytime)

At least you will have warned people about this window of opportunity.

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances.