

Standard Document

Communicating the Underwriting Progress

advice of policy acceptance: IP

Template



Dear <client>,

I am pleased to advise that your Income Protection cover has been accepted by <insurer>.

Your cover commences on <date of policy commencement> and you will receive your policy document within a few days.

If replacement policy: Adviser needs to decide if existing policy cancellation advice will be done by adviser's office or left to the client. It is critical that this is undertaken immediately the new policy is accepted. See Standard Documents Library.

Text Library

May I take this chance to remind you of some of the important matters relating to this cover, which we have discussed previously:

- ▣ This policy can now only be cancelled by you, not the insurer, provided the premium is paid.
- ▣ This policy has a 'waiting period' of <x> days which means that the core total or partial disability benefits are not payable for this period.
- ▣ After this period has expired from the date of disability, the claim then becomes payable and benefits are paid in arrears (usually one month), excluding the waiting period. So in your case the first payment would be received <number of days of WP + 30> days after the date of disability.

Either:

- ▣ <The monthly benefit has been determined in accordance with the industry-imposed maximum limit of 75% of income. The benefit amount is taxable as income. You would therefore have a shortfall from your normal income level and we have discussed the cashflow issues around this.>

Or:

- ▣ <The policy is issued on an indemnity basis, meaning that it will pay 75% of your pre-disability income. Therefore the benefit amount on the schedule may be adjusted at claim time. The benefit amount is taxable as income. You would therefore have a shortfall from your normal income level and we have discussed the cashflow issues around this.>

Please call me when the documents arrive and we will quickly revisit what is included in your cover and what you need to do if you believe you may need to claim at any time.

You are entitled to a 14 day 'free look' at your policy and this is why it is important for us to reconfirm your needs and what your cover is designed to achieve for <you/your family>.

If applicable:

We will advise further when your other policy/ies have completed.