Claimants’ views on total and permanent disability insurance claims
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Abstract
Purpose – This study aims to investigate Australian claimants’ experience of the total and permanent disability (TPD) insurance claims process and documents their recommendations for improvement.

Design/methodology/approach – A qualitative methodology was used. In all, 12 claimants with finalized TPD claims were recruited via their superannuation fund. Data collected from in-depth interviews were thematically analyzed and reported using the COREQ checklist. Extracts from verbatim transcription were included to represent the claimant without bias.

Findings – Most interviewees described a flawed claims process in which important information was withheld or unclear, procedures were complicated and arduous, communication was poor and frequent need for “chasing up” was frustrating. The claims process undermined the well-being of many interviewees at a critical time in their adjustment to disability. Lump sum payment yielded unexpected consequences for ten interviewees. Some interviewees retained a desire to work despite serious disability.

Research limitations/implications – The use of purposive sampling means that findings may not represent the experience of all claimants with finalized TPD claims. Saturation of knowledge was reached despite the relatively small number of in-depth interviews conducted. In the absence of previous research, this study identifies areas of concern in the TPD claimant experience and posits a set of important claimant issues for further investigation.

Practical implications – A person-centred approach is needed. Claimants would benefit from introduction of clear process information, a single point-of-contact throughout claim, advocacy/support and rehabilitation.

Originality/value – This inaugural study provides an understanding of challenges faced by TPD claimants. All interviewees provided suggestions for improvement in the TPD claims process.

Keywords Vocational rehabilitation, Forensic, Life insurance, Lump sum

1. Introduction
Total and permanent disability (TPD) insurance is a straightforward concept. The claimant provides evidence of disablement and the claim is assessed. The claim is either approved or declined. Little is known, however, about whether the experience of the claimant is as straightforward. What is meant to provide for claimants’ welfare may not always seem so to those being assessed. Claimants from other insurance schemes such as workers’
compensation have identified complex and unfamiliar systems fraught with challenging processes (Roberts-Yates, 2003; Wall et al., 2009). This study seeks to understand Australian claimants’ experiences of the TPD insurance system and is a part of broader new research into the area of TPD insurance.

Most working Australians have access to TPD insurance through their membership of compulsory superannuation (Industry Super Funds, 2018). This type of TPD is characterized by automatic default cover, low premiums, no medical examination and a predetermined lump sum benefit (Clare, 2017). Lump sum amounts may be $10,000 or $1m depending on the claimant’s age and income. The average lump sum benefit paid over a three-year period to 2016 was $103,000 (Bui et al., 2017). It is this superannuation disability cover that sets Australian TPD apart from other countries that offer total and permanent disablement insurance as individual policies or through employer-based policies (Association of Superannuation Funds of Australia, 2014).

TPD is designed to help bridge the financial gap until retirement age if a person cannot work because of serious illness or injury (Australian Securities and Investments Commission, 2017). The claim is assessed by the insurance company on two main aspects of TPD policy, medical and employment. The claimant must be off work because of the disability for a continuous period, typically six months, before submitting a claim – the medical grounds. The claimant must also be unlikely (or unable) ever to undertake any employment for which he or she is reasonably suited by education, training, or experience – the employment grounds. The authors’ area of expertise and impetus for this study relates to assessment of a person’s employment potential.

Making a TPD claim through a superannuation fund involves several steps. First, the fund member contacts the fund and submits a claim form. Second, the fund checks and coordinates the claim. Third, the life insurer assesses the claim and conveys the outcome to the fund. Assessment of a claim can be complex and take time – often up to 12 months (Berrill, 2014; Etienne and Zackeresen, 2016) particularly when additional medical or employment information is requested by the insurer.

Growing member awareness of TPD within superannuation, coupled with lawyers facilitating claim lodgement, led to an exponential increase in claims in the past five years (Lee et al., 2015; Fabrizo, 2014). This upward trend in TPD claims is significant for the life insurance sector with over $1.7bn paid to claimants in the 2015-2016 financial year (Clare, 2017) in a decade which saw total payouts reaching $6.25bn (Riskinfo, 2016). This is a multi-billion-dollar industry.

Threats to insurer profitability and increased insurance premiums to superannuation members prompted some funds/insurers to introduce policy changes that have yet to be evaluated. Changes that impact claimants include but are not limited to:

- introducing return-to-work rehabilitation when work capacity is medically indicated;
- replacing lump sum with split income; and
- considering future rehabilitation return-to-work services during claim assessment of employment potential (Leas and Burgess, 2015).

The TPD stakes are high, and each decision will have a profound effect on the lives of the claimant and his or her family. Unlike many other types of insurance claims, payment of TPD is a lump sum which is decided on a win-or-lose basis (Berrill, 2014). The onus is on the claimant to prove total and permanent disablement; the insurer decides the claim based on evidence (Myatt, 2002). This binary and adversarial framework is in place at the outset, and
ultimately claimant and insurer meet in court or other complaint jurisdictions to settle disputes. The impact on claimants from other insurance schemes such as workers’ compensation and motor vehicle accident has been widely researched (Grant et al., 2014; Murgatroyd et al., 2015; Kilgour et al., 2015; Lippel, 2007). To the authors’ knowledge, the claimant experience of TPD insurance has not been empirically examined.

The aims of this exploratory study are twofold: to report the claimant’s experience of the TPD claims process and ask the claimant for recommendations to improve the claims experience.

2. Method
2.1 Study design
Qualitative research methods based on in-depth interviews were used for this study. Interviews are often used to gather detailed insights from specific individuals about a new issue (Rao et al., 2017). In-depth interviews are particularly valuable when dealing with vulnerable groups such as those with a disability (Liamputtong, 2012). The research focus was on exploring claimants’ experiences rather than generalizing their experiences to a greater population (Babatunde et al., 2018).

Thematic analysis was used to identify, evaluate and define themes from interviewees’ narrative (Braun and Clarke, 2006). The COREQ interview checklist was used to report the study (Tong et al., 2007). The University of Sydney Human Ethics Research Committee approved the research protocol (Project No: 2015/204).

2.2 Research team and reflexivity
Interviews were conducted by the first author for three reasons:

1. extensive knowledge of TPD insurance claims;
2. many years of experience interviewing TPD claimants by telephone and in-person; and
3. to maintain interview consistency.

Field notes were made before, during and after each interview for richness of impression (Phillippi and Lauderdale, 2018). Having two authors who were experienced rehabilitation counsellors but unfamiliar with TPD contributed to robust discussion during review of field notes and thematic analysis. This variation of viewpoints was advantageous in reducing bias and increasing validity (Liamputtong, 2012; Creswell and Miller, 2000). The participant information statement advised prospective study participants of the interviewer’s background in TPD claims and the reasons for the research.

2.3 Participants
The Australian Institute of Superannuation Trustees (AIST) is a peak advocacy body supporting the interests of fund members (Australian Institute of Superannuation Trustees, 2017). As almost 90 per cent of all group TPD policies are held by superannuation fund members (Association of Superannuation Funds of Australia, 2014), AIST was consulted to identify an ethical approach to claimants. Recruitment via profit-to-member superannuation funds was recommended.

One of Australia’s largest profit-to-member superannuation funds (with 1.9 million members) agreed to select and contact a purposive sample of members with finalized TPD
claims. From a database of over 10,000 finalized TPD claims, the following claims were excluded:

- those with subsequent terminal illness/death payouts;
- those with severe medical conditions as they are paid automatically without assessment; and
- those lodged before 1 July 2015.

The resultant sampling frame was 197 claimants. An invitation to participate in the study, along with the study’s participant information statement, was emailed from the fund to these claimants, with a reminder-invitation sent two weeks later.

In all, 13 potential participants contacted the interviewer to register interest in the study. Ethics-approved prompts guided the initial discussion about their claim, condition, occupation and location. The interviewer advised respondents that if they were uncertain or anxious about undertaking the interview, they should discuss this with their treating doctor. One respondent withdrew following initial contact; 12 met the criteria of having a finalized TPD claim and still wished to be interviewed. An interview was arranged, and participant consent form was emailed to them.

Health research literature indicates that voluntary responders are likely to be female, older people, and people with a more positive outlook on health compared to non-responders (Cheung et al., 2017). Key characteristics of the 12 voluntary participants in this study are as follows:

- All had their TPD claims paid
- Eight were women and four were men.
- Age ranged from 34 to 69 years. Ten were over 50 years-old.
- Five had illnesses including stroke and lung disease. Four had musculo-skeletal conditions such as arm and back injury. Three had mental illnesses including depression and schizophrenia.
- Occupational status varied from self-employed to manager, assistant manager, and employee. Most were last employed in the retail sector, but many had previously worked in other industries including banking, communications, insurance, technical services, welfare, hospitality and transport. None recalled having an employability assessment in relation to their claim.
- They came from every Australian state/territory except the Northern Territory; most lived in cities.
- Two were claimants-by-proxy – each undertook the claims process with power-of-attorney for a family member with Alzheimer’s disease.
- Three had multiple finalized TPD claims with different funds/insurers.
- Two-thirds received life insurance payments (salary continuance/income protection) prior to or concurrent with their lump sum TPD claim. Most had first-hand experience with government disability or workers’ compensation schemes.

Provision was made with the fund to draw a second group from which to sample but this was not necessary due to the “saturation” of data from the 12 interviews. Purposive sampling relies on rich in-depth information and “saturation occurs when additional information no longer generates new understanding” (Liampputtong, 2012, p. 83).
Guest *et al.* (2006) found that 12 interviews of a homogenous group are all that is needed to reach saturation.

### 2.4 Data collection

Data collection occurred during October and November of 2017. Four face-to-face interviews were conducted in the claimant’s home and one interview was at a café. In three cases, the spouse of the claimant was present, with minimal but supportive contribution. Strict University of Sydney safety protocols were activated for the conduct of each face-to-face interview, for example, the interviewer provided location details to a co-author immediately before and after each meeting. Telephone interviews were conducted at a prearranged time. Written and audio-recorded consent was obtained prior to commencement of each interview.

The interviewer used open-ended questions to prompt each interviewee’s recollection and account of:

- lodgement of claim;
- help provided;
- gathering work-related evidence;
- health and well-being during claims process; and
- thoughts on future work capacity.

Open questioning gave claimants freedom to respond in their own way and with as much detail as they wanted (*Rao et al.*, 2017). Toward the end of their interview, each interviewee was invited to offer suggestions/changes which may be helpful to the TPD claims process. The interviewer reminded them to contact their treating doctor if the interview had raised distressing issues or had unsettled them. The interviewer contacted each interviewee by phone or e-mail the next day to ensure that they did not need medical support after recounting their TPD experience. All reported being fine, and better for having contributed to the study.

Recorded interviews ranged from 18 to 62 minutes in duration and were transcribed verbatim and de-identified for data analysis. Several transcribed words were checked against the recording and corrected for contextual accuracy, for example, “competence” and “losing” replaced “confidence” and “polluting”. Transcripts, documents, and digital data were stored within University of Sydney-managed storage infrastructure.

### 2.5 Data analysis

Six steps of thematic analysis described by *Braun and Clarke* (2006) were applied in a recursive process of:

1. data familiarisation – by repeatedly reading the transcriptions, checking audio version as required, and informally noting ideas in the margin;
2. initial code generation – by inserting provisional codes in the margin of each transcript, for example, Interviewee 2 transcript showed 2.3 feelings, 2.4 forms, 2.9 health, 2.16 surveillance, 2.19 work, 2.22 change and so on;
3. collation of codes into potential themes – by colour-highlighting coded transcripts then transferring onto spreadsheets in tentative themes such as process, impact, change, contact;
4. theme review – by first checking the coded data extracts within each theme, moving them to make better sense or creating new themes, and then by checking the entire data set to best fit the themes, recoding/regrouping themes until clearer;
Discussion between co-authors and hand mapping aided coding, theme categorizing, and collective decision-making. All steps were documented in Microsoft Excel (Cutcliffe and McKenna, 2004; Carcary, 2009).

3. Research findings
This section presents the main findings relating to TPD claims from the claimant’s perspective. All 12 interviewees received their TPD payment and some had multiple paid claims. Thematic analysis identified two main themes – flawed process and disability – and eight subthemes which are set out in Table I. Every interviewee contributed ideas to help future claims. Some recommendations are interwoven in corresponding subthemes and all recommendations are summarized in Table II at the end of this section.

3.1 Theme 1: Flawed claims process
This overarching theme reflects four significantly negative accounts and one neutral aspect of the TPD claims process reported by interviewees.

3.1.1 Withheld information. No consistent source of information about TPD insurance in superannuation was reported by interviewees. Only two knew they had TPD cover – Interviewee 10 had worked in insurance and superannuation, and it was common practice for Interviewee 11 to read superannuation fine print including insurance matters. The other interviewees were unaware of TPD and found out in various ways such as from government disability welfare agencies, through television advertisements for legal firms and via treating medical practitioners.

Interviewees reported that once aware of having TPD insurance, there was insufficient information to help them understand the overall claim process and it was difficult getting that information. They acknowledged that because of insurance fraud, stringent processes were needed and were anxious about being under scrutiny and fearful that their claim was correct, for example:

<table>
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<tr>
<th>Themes</th>
<th>Subthemes</th>
<th>Claimant</th>
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<td>Disability</td>
<td>Disability in crisis</td>
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<td>Payout consequences</td>
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<td>Future work</td>
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Notes: + = positive response; – = negative response; o = neutral or both negative and positive responses; # = no response

Table I. Themes, subthemes and TPD interviewee responses
Knowledge is power so if you don’t know their processes you feel immediately that you are hiding something. That is the impression that I got. The people were lovely, but I thought there was quite a bit of secrecy involved and that was the part that I found quite distressing. You feel like you are defending yourself. (Interviewee 7)

The exception was Interviewee 5 who used a solicitor to navigate the process, as he was not well enough to understand the procedure. Solutions to lack of information included provision of a handout to clearly describe what will happen, and a face-to-face meeting to explain the claim process and timeframe.

3.1.2 Arduous procedures. Few reported that claiming was a straightforward process. Several who regarded the payout as small, unexpected, and a bonus were in the position to submit the claim and forget about it. For nine of the interviewees, however, tasks such as gathering supporting medical and employment evidence, and completing the forms were

<table>
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<th>Category</th>
<th>Synthesized interviewee recommendations</th>
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<tr>
<td>Information</td>
<td>Effectively advise all superannuation fund members that TPD is available in their super. Ensure additional TPD cover is accessible</td>
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<td>Handout/checklist of documents needed at the outset of claim. In clear very basic plain English</td>
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<td>Outline the process, preferably face-to-face, or with phone contact, and always confirm in writing</td>
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<td>Provide realistic framework with steps and timeframes. Set expectations at the start</td>
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<td>Request only recent (last 4-5 jobs) work history; clarify later if required</td>
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<td>Electronic assistance</td>
<td>Video introduction to TPD on claims websites</td>
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<td>Online chat facility with a TPD specialist</td>
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<td>Online TPD claim tracker</td>
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<td>Allow space within online forms for claimant to add additional relevant information</td>
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<tr>
<td>Contact</td>
<td>Ensure one fund/insurer contact-person for the claim. Advise details of a back-up contact-person at outset of claim</td>
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<td></td>
<td>Avoid secrecy</td>
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<td>Only and always communicate with the authorized nominated claimant. Flag cases where advocacy would help both parties</td>
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<td>Reasonable response</td>
<td>Check claimant’s preferred means of communication. Use email as default communication</td>
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<td>Acknowledge claimant communication in reasonable timeframe</td>
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<td>Progress updates</td>
<td>Avoid claimant anxiety and chaseup issues by giving regular updates</td>
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<tr>
<td>Empathy</td>
<td>Treat each claim as important. Know details and prognosis of claimant’s condition</td>
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<td>Acknowledge the difficulties claimant and family may be experiencing</td>
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<td>Understand that claimants may have concurrent claims/issues which can be confusing and frustrating</td>
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<tr>
<td>Support</td>
<td>Check if they have someone to support them</td>
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<td>Appoint a qualified person with TPD and disability knowledge from insurer/fund to give attention/support to claimants</td>
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<tr>
<td>Financial</td>
<td>Provide details of agencies that claimants can contact for financial advice</td>
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<td>Appoint an advocate if requested or flagged</td>
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<tr>
<td>Return-to-work</td>
<td>Check what RTW services a claimant has, offer to liaise. Ask if they need advice or conversation about future work/retraining options</td>
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<td></td>
<td>Understand the functional limitations of claimant’s medical condition in relation to work. Consider other factors affecting work function</td>
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</table>

Table II. Summary of TPD interviewee recommendations

Notes: TPD = total and permanent disability; RTW = return to work
problematic. The time needed for these tasks was exacerbated by the high attention to detail required at a time when health issues were paramount and debilitating.

Ensuring that forms and documents were received by the fund/insurer was also a common problem. Several interviewees reported that having to resend paperwork after lengthy delays was frustrating and seemed like a tactic to discourage pursuit of the claim. On the other hand, the interviewee who submitted online regretted not doing it by paper due to insufficient space for supporting documentation:

I really needed to write more so that I could explain, but it wasn’t relevant on the [online] forms, so it was quite hard. I wasn’t sleeping at night; it was horrible. I would wake up with a nightmare, thinking, oh, my God, [they’re] going to think we’re doing fraud. (Interviewee 10)

3.1.3 Ineffective communication. Some interviewees were unable to differentiate between communication with the superannuation fund and the insurer whereas for others, the fund was clearly the main point of contact, with case managers assigned in several cases. Paradoxically, while interviewees found the process arduous, uncertain and the lack of communication frustrating, they generally found staff pleasant:

A lot of the time the staff were really nice, but they are telling you things that felt like deliberate incompetence. It’s like if someone’s not very good at their job but they’re nice so you don’t necessarily have an unpleasant experience, but you still have a negative association with that business”. (Interviewee 3)

While most acknowledged that assessing claims takes time and is challenging, interviewees reported inadequate communication with fund/insurer. Poor confirmation about receipt of forms, lack of progress updates, and the ever-changing contact person were identified as key communication problems. The lack of a single contact person throughout the life of the claim was of most concern and was most consistently recommended as an improvement to the system. Written communication was favoured for critical information transaction because of memory and concentration issues caused by illness or confusion over the claim process.

3.1.4 Chasing up. In response to not knowing the claim process and/or inadequate communication, all except one interviewee mentioned having to “chase up” their claim by phone or email. Those who made regular and frequent calls to clarify their claim status were particularly frustrated and considered that they were driving the claims process, rather than the fund, insurer, or solicitor. Frustrations included not hearing back, repeating the issues to new claims staff and time/energy wasted making multiple calls or email.

3.1.5 Sources of support. In total, 11 interviewees reported some measure of support; 5 had help from doctors or specialists who supplied medical evidence of disablement. In three claims, professional assistance came from a solicitor, a social worker and a disability-specific organization respectively. A friend without claims experience supported one interviewee. In addition to help from the trade union and an employer, one interviewee met with a superannuation fund representative which proved to be a valuable relationship:

Absolutely, categorically, without doubt, definitely. Meeting someone [from the fund] face-to-face made an enormous difference. (Interviewee 6)

3.2 Theme 2: Disability
The following subthemes focus on aspects of disability from the TPD interviewees’ perspective.
3.2.1 Disability in crisis. All interviewees reported that managing their health was their primary concern. They grieved the loss of independence, certainty, and self-worth when forced to cease work due to deteriorating capacity. When questioned about the effect of the claims process on their health and well-being, interviewees were divided. A small group regarded the claim as having low impact on their situation. The other group – two-thirds of those interviewed – felt that claiming TPD added much stress to their situation. Some were preoccupied with negotiating regular payments from workers’ compensation, Centrelink or income protection streams, as well as TPD. Many described feeling vulnerable, not knowing the claims process, or what the future held. Financial uncertainty also led to stress according to one interviewee with a musculo-skeletal condition:

It was dreadful. I was so financially stressed and unclear about my future. The claim went on for a long time. I can understand that because it was quite complex, but I never knew what was happening and the longer it went the more horrible. I would say at the end I was close to having a nervous breakdown. (Interviewee 7)

Insufficient fund/insurer understanding of the disability undermined interviewees’ well-being. They found the fund/insurers’ lack of knowledge or empathy about the medical condition was particularly distressing at a time when managing their health issues and the claims process. This view was strongly held by interviewees with progressive diseases and psychiatric conditions.

Finally, one interviewee recounted that providing work history at a very difficult time was arduous, and recommended changes to make it easier for a person with significant disability:

The last thing you think about is what work you did. It would have helped if the work part of the form was shorter, easier. Maybe just ask for the last four or five jobs. Follow up if needed, not when starting the claim. Or the superannuation [fund] may have the work history from member records they can pass on to the insurance company. (Interviewee 11)

3.2.2 Payout consequences. Notification that the TPD claim had been approved was inconsistent. Interviewees reported various modes of advice: letter from fund, phone call from fund, phone call from insurer to unauthorized party (person with advanced dementia) requesting bank account details, money in account without notice, and in a call to fund for progress update was advised of approval.

There was mixed reaction to receiving the TPD lump sum payment. Two interviewees were unreservedly happy with the outcome. For most, however, relief in receiving the money was jaded by the process and lack of trust in the decision when finally made. Interviewees reported unanticipated negative consequences once payment was made into their superannuation account. The main consequences were: finding that a new process was required to release money from superannuation account, difficulties and time delays withdrawing money from superannuation account, heavy taxation which could have been reduced with foreknowledge, no compensation for medical/administrative costs incurred in claiming, orders to repay government disability benefit debt, welfare support services cancelled, no paperwork accounting for the amount approved, delays from claim to payment extended time out of work thus reducing employability and inability to manage a large amount of money. This last point was referred to by other interviewees but occupied much interview time with one younger interviewee:

I’m pretty sure they [the fund] recommended financial advice. I was with [named welfare agency] and because I had the payout I was no longer eligible for any help from them. I was asking: how do I get financial help? And no one could help me. Now I know what it is like to have a payout and
lose it. So, it didn’t have a good impact at all. I’d probably be happier now if I’d never got the money. (Interviewee 3)

Several interviewees likened the TPD payout to winning the lottery in that recipients can be inept at managing large sums of money. They suggested an advocate/expert should be readily available to help manage the payout.

3.2.3 Considering future work. Four interviewees did not discuss work. Specific review of field notes and audio replay confirmed that during discussions about work possibilities – raised toward the end of the interviews – there was a distinct lifting of mood, voice tone and body language. This significant positive change in disposition was despite uncertainty and realistic outlook expressed on work prospects. Some had unsuccessfully tried to return to work independently yet still wanted help to try again. Voluntary work as a first step to employment was discussed. Four interviewees wanted to become consumer advocates in their fields of disability and a fifth wanted to be a TPD advocate, having assisted four people to claim already. An interviewee who had returned to work following her first payout was emphatic that new work options must be suitable, and most agreed that realistic vocational advice would be helpful.

3.3 Recommendations from interviewees
Notwithstanding the process difficulties experienced by TPD interviewees, there were positive features. The automatic TPD cover was welcome, as they would not have had disability insurance otherwise. In one instance, using a lawyer meant that despite the cost, the claim was finalized instead of never being submitted. One claimant-by-proxy was certain that their relative with Alzheimer’s would be homeless if they had not intervened on his behalf. For others, TPD meant financial security. By using the lump sum to pay off the house, one interviewee narrowly avoided bank foreclosure. This experience underscores recommendations for future claimants to prioritize financial decisions and pay off debts, for example:

I strongly encourage them to pay off debts or home mortgage. TPD is there to help you restructure your life, and if people can’t fill out the forms and have never had money, they don’t know how to utilise that money to their advantage. You can’t take away their rights with the money, but I believe there should be safeguards. (Interviewee 7)

Advocacy was a proactive suggestion to avoid chase-ups, anxiety and frustration. Interviewees thought that for certain situations such as mental illness, high anxiety, isolation, poor cognition or complex issues, it would save the fund/insurer time and money to appoint a TPS specialist as an advocate. They suggested that allied health professionals could liaise with claimants, providing information, guidance or counselling to help them get through the process. The following table summarizes recommendations made by interviewees.

4. Discussion
This study provides formative insights from claimants into the TPD claims experience in two main themes: process and disability. Overall findings showed that the process was challenging and, in some cases, flawed, and because of that, disability was devalued. Interviewees were critical of flaws in the system – institutional failings, deliberate or otherwise – rather than the service providers, who were pleasant and doing their best.

Interviewees were keen to have their voices heard; the interview format allowed them to relate their experiences freely. Evidence of claimant involvement included offers to be identified by name, contribute to further research, provide records of contact with fund/
insurer, and all wanted an outcome summary. Most commented that the phone/email contact post-interview was much appreciated and contrasted with the poor follow-up communication they experienced with funds and insurers.

The first theme pointed to lack of transparency, particularly about having a TPD policy and claim progression. Fund members should expect their insurance will be managed in a fair and transparent manner (Leas and Burgess, 2015), yet this was not the case for most in the study. Having no clear understanding what is likely to happen with their claim meant that claimants had no benchmark for gauging expectations or satisfaction levels. Nonetheless, most found their intrinsic perception of good service delivery was unmet, thus causing distress. Their experience is consistent with vulnerable people participating in other bureaucratic processes without having adequate information or understanding to do so, also with detrimental consequences to their well-being (Matthews et al., 2011; Murgatroyd et al., 2015; Pollard, 2014; Kilgour et al., 2015). For instance, not understanding what they needed to do for their claim was reported as “highly stressful” by workers’ compensation claimants (Grant et al., 2014). Such outcomes occur in highly regulated and monitored systems which have been in place for many years (Purse, 2005), and are criticized for being “too rigidly process-oriented, disregarding unique individual circumstances” (Roberts-Yates, 2003). By contrast, in July 2017, a Code of Practice was finally implemented by the life insurance industry under the auspices of the Financial Services Council. The Code promises to explain the claims process and to keep claimants informed about progress of their claim; clear timeframes are defined in the Code (Financial Services Council, 2017). Experiences from other schemes suggest that evaluation of best practice, service standards and the impact of the Code on TPD claimants is warranted.

Effective means of conveying TPD information is needed: telling is no substitute for informing (Volpato, 2012). In a quest for Dutch disability insurance claimants to fully understand the process they were commencing a randomized controlled trial of an interactive website was conducted. Results were mixed: claimants showed increased knowledge, however, there was no reported improvement in their empowerment or coping, and an adverse effect on satisfaction due to perceived injustice (Samoocha et al., 2011). Reflecting technology uptake in the past few years, the TPD interviewees volunteered online modes for improving information delivery such as online chat-with-expert, however overall, they preferred face-to-face contact. Active partnership with TPD claimants would help innovate and evaluate communication improvements (Powers et al., 2002).

The second theme – disability – reflects the disempowerment many interviewees expressed from undermining effects of procedural issues. Empowerment of a person with disability imbues a sense of control and self-determination (Samoocha et al., 2009). While interviewees generally reported positive support from medical and other professionals, provision of advocacy services by fund/insurer was thoroughly endorsed by the only interviewee to receive face-to-face assistance from the fund. Superannuation trustees may have a role to play in supporting their members throughout the claims process.

Selected extracts illustrate the health crisis every interviewee poignantly recounted in interview. Even in the two cases of claimant-by-proxy, the effect of disability on their own, and their relatives’ health and well-being were palpable. As mentioned in the introduction, the TPD stakes are high – none more so – than the “tough” circumstances that necessitate lodging a claim. However, the payout did not bring universal benefit, and fell short of fulfilling the purpose for which TPD insurance was intended. Unpreparedness and foreseen consequences arising from the payout had an ambivalent or negative effect on three-quarters of interviewees.
The topic of return-to-work produced a positive reaction; interviewee’s desire to work was clear yet realistic. Research conducted in other schemes indicates a need for thorough investigation into TPD employability assessment and rehabilitation service provision. For instance, compensable-injury claimants are known to experience poorer health outcomes, benefit from early intervention, and report altered psychosocial circumstances (Australasian Faculty of Occupational and Environmental Medicine, 2011). Moreover, people claiming lump sum payouts are much worse off than claimants on instalment payments – the process is reported as too stressful, too slow, and too traumatic for family (Greenough and Fraser, 1989). A further cautionary note sounded as compensation is associated with greater risk of negative vocational rehabilitation outlook (Lysgaard et al., 2005). Comparison with other schemes is difficult due to the heterogeneous nature of compensation, schemes and disability (Spearing and Connelly, 2011), however several TPD-specific factors compound the complexities reported elsewhere. For example, late claim lodgement, six-month waiting period, or prolonged claim assessment preclude early rehabilitation intervention; and psychosocial factors are not considered in assessment.

A reported weakness of lump sum TPD is that it provides incentives for members not to return to work or participate in rehabilitation – described as moral hazard (Leas and Burgess, 2015). Findings from our study refute this premise. Although diminished by disability and participating in the claims process, interviewees retained a strong sense of being a worker and wanting/trying to work. An informal telephone survey of 330 Australian TPD claimants conducted by their superannuation fund indicated that 36 per cent had returned to work or were looking for work, and 66 per cent wanted help to return to work (Rowley, 2015). This feedback prompted the fund/insurer to introduce return-to-work rehabilitation within TPD; several other funds have also included rehabilitation elements (Leas and Burgess, 2015).

The predominant TPD model however remains a predetermined lump sum payment set in a winner take all framework. Interviewees described unexpected consequences arising from their “win.” Whose responsibility is it to ensure that once paid, the lump sum is secure? A defining feature of TPD is the traditional thinking was that when disabled “a lump sum would pay off the mortgage and debts before moving into the social security net” (Mace, 1996). Automatic inclusion of TPD cover within compulsory superannuation was mandated by the government in 2014 to safeguard many underinsured Australians (Berrill, 2014). A fundamental step would be to extend this social compact to ensure financial assistance is available to those with approved claims. An arrangement with a national community organization offering free financial counselling services would be a positive start (Australian Securities and Investments Commission, 2018).

The study findings indicate that funds/insurers should adopt a person-centred, humanistic approach, rather than continue corporate-rationalist imperatives described in other insurance schemes (Pollard, 2014). Person-centeredness is applied in the health and disability arena to foster supportive relationships between service providers and service users; mutual respect and empathy underpin a person-centred culture (Dewing and McCormack, 2017). Interviewees called for empathy in various ways, particularly in understanding the disability and taking an interest in how the claimant is managing the claims process. A lawyer dealing with TPD claims demonstrated that listening to claimants resulted in efficiency and fairness; and in a critical situation, showed that conveying TPD information face-to-face with empathy resulted in an outcome which was “feasible, fair and focused on the individual” (Volpato, 2012). This example of “transactional dignity” empowers superannuation claimants to manage their claims with confidence (Furlan, 2014).
4.1 Limitations
The study findings may not represent the experience of all claimants with a finalized TPD claim. Purposive sampling limited claimants to one superannuation fund and one insurer, although a quarter of the sample had TPD claims with other funds/insurers. Experiences of claimants from other funds/insurers may differ from those responding to this study, and those with a declined claim may have different views to this sample with accepted claims.

4.2 Future research
Exploratory research is expected to identify areas for future research (Matthews et al., 2011).

As the first systematic exploration from claimants’ viewpoint, the findings require evaluation and extension. A larger survey of TPD claimants is warranted using information and key issues raised in this study. Indeed, some of the interviewed claimants expressed interest in helping with further research and would be invaluable as consumer partners in developing programmes.

Further research is recommended in three areas:

1. an evaluation of outcomes and experience of claimants receiving rehabilitation intervention to identify the value of return-to-work assistance;
2. an appraisal of the new Code of Practice to determine if mandatory service provision equates with improved claimant experience; and
3. a comparison with other compensable schemes may identify positive mechanisms to support and avoid harm to TPD claimants.

5. Conclusions
Despite receiving a positive claim outcome, interviewees reported systemic shortcomings in the claims process. Frustration and anxiety arising from insufficient information was experienced by most interviewees. Process flaws further undermined interviewees’ ability to function at a critical time in their lives. Many interviewees retained a desire to work although all expressed uncertainty about their health and future.

A person-centred approach adopted by superannuation funds and insurers would accomplish three things. First, it would help claimants manage their claims more easily. Second, it would provide support to claimants, particularly with financial management or employability. Finally, and importantly, by empowering the claimant as a partner in the claims process, disability is affirmed at a crucial time.

This study adds to an emerging body of knowledge about TPD insurance by documenting the claimants’ perspective. Recommendations freely given by claimants make a positive contribution to TPD process and policy.

References


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