

CR68

Disability - whether claimant qualifies for a lump sum benefit

Background

The complainant was a 48 year old manager and when he became ill he first submitted a claim for total and permanent disability during December 2002 to the insurer as he suffered from major depression. His employer had "boarded" him and he was receiving an income disability benefit from his employer's scheme. The lump sum claim was, however, declined by the insurer.

The complainant received further treatment including 6 ECT treatments for a period and then resubmitted his claim together with a report from his treating psychiatrist who regarded the claimant as severely impaired. An independent psychiatrist who had assessed him previously, did a follow-up evaluation.

The independent psychiatrist stated :

"On the basis of the information available to me there appears to have been some deterioration in Mr C's condition since I last saw him. This has occurred in spite of ongoing, appropriate treatment. The prognosis is therefore poor, and the chances are slim for any significant recovery within the foreseeable future."

Furthermore the psychiatrist stated that the complainant suffered from major depressive episode, which he regarded as chronic and treatment refractory. Even so the psychiatrist regarded the degree of impairment as mild in the area of social functioning and moderate in daily living, concentration, persistence and adaptation.

The insurer relied on this statement and again declined the claim as it was of the opinion that the claimant could not be regarded as totally disabled.

The claimant complained to our office. We were of the view, taking all the evidence into consideration, that it was improbable that the complainant would be able to perform his own occupation or an occupation for which he was reasonably suited having regard to his education, training, experience and ability.

Result

We advised the insurer that it should pay the claim and it agreed to do so.

JP
October 2005

