

## Case Scenario

C was a very successful Office Manager for a big company in central Auckland and in November 1993, she took out income protection insurance with P.

In July 1994, at age 35, C was diagnosed with Depression by her psychiatrist and ceased work. C made a claim under her income protection policy for total disablement. P accepted the claim and continued paying a Total Disablement benefit.

In March 2003, C advised that she had started a new business growing flowers on her lifestyle block which she had just purchased. P appointed a psychiatrist to assess C. The psychiatrist stated that C was responding well to medication and counselling and that her depression was in remission. When responding to P's question regarding C's prognosis, the psychiatrist stated "*It is my opinion that she is fit for work in a part-time capacity up to 15 hours per week and I would recommend that this be increased on an incremental basis over the next three months when she could then be cleared for full time work* [April 2003]".

On this basis, the insurer advised it would cease payment of the Total Disablement benefit and pay C the proportionate benefit until July 2003 because she was able to gradually return to full-time work by July.

C argued that she still suffered from symptoms of depression and was only able to work productively for 10-15 hours a week. C's psychiatrist stated that gardening was very therapeutic for C and was an important part of her recovery. He confirmed that C was still suffering from symptoms of depression and was unable to go back to her former job as Office Manager.

### Policy wording

#### *Total Disablement Benefit*

If, the insured is totally unable due to illness or accident to perform his/her usual occupation from which he/she derived income then a total disablement benefit will be paid.