

# COMPLETE DISABLEMENT COVER



## What is Complete Disablement Cover?

Insurance that pays you a lump sum amount if you become completely disabled as a result of illness or injury.

## Why do you need Complete Disablement Cover?

If you become completely disabled through illness or injury, you may only receive limited ACC cover or a basic sickness benefit. If you lose your income, you may face extra costs to assist with your daily living such as alterations to your house or paying for care. Having Complete Disablement Cover can help minimise the financial impact and allow you to make choices about the care or treatment you may require.

You will receive a lump sum amount and it's your choice how you use the money. Some examples of how this money can help are:

- › subsidise a lost income
- › cover day-to-day expenses (e.g. power, phone, food, petrol)
- › help cover debts (e.g. mortgage, credit cards)
- › assist with medical costs associated with recovery
- › seek alternative treatments
- › pay for home alterations, rehabilitation and home help.

## Complete Disablement Cover overview

<b>Entry criteria:</b>		Minimum entry <b>age 16</b> Maximum entry <b>age 60</b> (age 55 for Complete Disablement Cover 'level to age 65' premium option)
<b>Cover amount:</b>		Maximum sum insured amount <b>\$2,500,000</b>
<b>Cover term:</b>		To <b>age 70</b>

### Occupation classes:

**1-3 'own' or 'any' occupation**

**4-5 'any' occupation**

Your occupation class is determined by the work you do. Your financial adviser will be able to help you work out what occupation class will apply to you.

### Accelerated or standalone

Complete Disablement Cover can be 'accelerated' against Life Cover. This means that the Life Cover sum insured will be reduced by the amount we pay for any Complete Disablement Cover claims.

Alternatively Complete Disablement Cover can be 'standalone', which means that any Complete Disablement Cover claim paid is independent of any Life Cover.

## Meaning of completely disabled

The meaning of completely disabled depends if 'own' occupation or 'any' occupation applies. There is an extra premium payable for 'own' occupation.

The Complete Disablement Cover sum insured may be payable if you are completely and permanently disabled according to the following:

### Occupational criteria

#### If "own" occupation applies (Occupation classes 1-3)

You're unable to work and haven't worked in your pre-disability occupation for at least 3 months in a row, and are unlikely to ever be able to work in your pre-disability occupation again.

#### If "any" occupation applies (Occupation classes 1-4)

You're unable to work and haven't worked in your pre-disability occupation for at least 3 months in a row, and are unlikely to ever be able to work in your pre-disability occupation or any gainful occupation that you're suitable for (based on your education, training or experience) and that has a salary that's more than 25 percent of the income you earned in the year before you became disabled.

#### If 'own' or 'any' occupation applies (Occupation classes 1-4)

If you are diagnosed with 1 of the following conditions (as defined in the terms and conditions of the Complete Disablement Cover) and you are unlikely to ever be able to work again:

Alzheimer's Disease

Cardiomyopathy

Dementia

End Stage Chronic Lung Disease

Major Head Trauma

Motor Neurone Disease

Multiple Sclerosis

Muscular Dystrophy

Parkinson's Disease

Paralysis

Primary Pulmonary Hypertension

Severe Rheumatoid Arthritis

Systemic Lupus Erythematosus (SLE) with Lupus Nephritis

### Non-occupational criteria

#### (Occupation classes 1-5)

Regardless of whether or not you can continue to work, the full Complete Disablement Cover sum insured will also be paid if:

- 1 You've completely and permanently lost the use of two limbs. In this case, limb is a whole hand or whole foot.
- 2 You've completely and permanently lost the use of one limb and lost sight in one eye. In this case, limb is a whole hand or whole foot.
- 3 You've completely and permanently lost sight in both eyes.
- 4 You've permanently lost cognitive function and have had continuous care and supervision for 3 months or more, and are likely to need ongoing and continuing care immediately after that 3 months has passed.
- 5 You're permanently unable to perform at least two of the activities of daily living (listed below) without the help of another adult.
  - › bathing and showering
  - › dressing and undressing
  - › eating and drinking
  - › using a toilet for hygiene purposes
  - › moving from place to place by walking, wheelchair or with the assistance of a walking aid.

## What's not covered?

- › Intentional self-harm, including attempted suicide
- › Taking part in a criminal activity

## Benefit details

Complete Disablement Cover provides several benefits that are built-in to the cover as well as some options you can choose to add at an additional cost, so it's easy to tailor your Complete Disablement Cover to suit your needs and budget.

## Premium details

- Minimum premium:**  \$20 per month (incl. policy fee)
- Payment frequency:**  Weekly, fortnightly, monthly, half-yearly, yearly
- Payment method:**  Direct debit, credit/debit card

### Premium review periods

There are a number of options available to you regarding how often you choose to have your premiums reviewed. At the end of each premium review period, your premiums will be recalculated based on your sum insured, age-related changes and, if applicable, any changes to Cigna's protection premium rates or relevant laws. Your premiums will change if you change your cover. Your adviser will work with you to help you choose the best premium review period to suit your needs.

Under Complete Disablement Cover any one of the following premium review periods can be selected.

## Premium details cont...

- › **1 Year** - Your premiums will be recalculated on each anniversary date.
- › **5 Year** - Your premiums will remain at the same level for 5 years and will be recalculated on every 5<sup>th</sup> anniversary date.  
  
The protection premium rate is guaranteed for 5 years and your premiums will not be recalculated until the end of your premium review period.
- › **5 Year 5% Stepped** - Your premiums will increase by 5% on each anniversary date for 5 years and will be recalculated on every 5<sup>th</sup> anniversary date.  
  
The protection premium rate is guaranteed for 5 years and your premiums will not be recalculated until the end of your premium review period.
- › **10 Year** - Your premiums will remain at the same level for 10 years and will be recalculated on every 10<sup>th</sup> anniversary date.  
  
However, any changes in Cigna's protection premium rates can change your premiums and these changes may apply on your policy's next anniversary date.
- › **To Age 65/70** - Your premiums will remain at the same level until the anniversary date after your 65<sup>th</sup> or 70<sup>th</sup> birthday (depending on your selection). Your premiums will be recalculated yearly thereafter.

However, any changes in Cigna's protection premium rates can change your premiums and these changes may apply on your policy's next anniversary date.

 **Open out for more details on the benefits**

## Built-in benefits

Complete Disablement Cover provides the following benefits that are built-in:

Benefit	What is it?	How it works	Why it's important
<b>Complete Disablement Benefit</b>	Payment of the full Complete Disablement Cover sum insured if you become completely disabled.	If you meet any of the definitions for a complete disability, the full Complete Disablement Cover sum insured may be payable.	Provides support to assist you and your family to minimise the financial impact as a result of your complete disability.
<b>Partial Disablement Benefit</b>	A partial payment for loss of sight in one eye or the loss of use of one limb.	If you meet any of the definitions for a partial disability, a partial payment of 25 percent of the Complete Disablement Cover sum insured up to \$100,000 may be payable.  We'll subtract the amount we pay for a Partial Disablement Benefit from the Complete Disablement Cover sum insured.	Allows you to receive a partial payment if your situation doesn't qualify for a Complete Disablement Benefit.
<b>Return to Home Benefit</b>	Cover for costs of up to \$10,000 to get you back to New Zealand if you become completely disabled while living overseas.	If you have been living outside of New Zealand for more than 3 months in a row and become completely disabled, this benefit will pay the lesser of the cost to get you back to New Zealand or \$10,000.	Peace of mind knowing that if you have an accident or suffer an illness that results in you being completely disabled while overseas you can get home immediately.
<b>Support Person Accommodation Grant and Transfer Benefit</b>	Cover for costs of accommodation and transport for a support person to go with you if you need to travel away from your home area for treatment.	If a medical practitioner confirms you need treatment for your disability, where the treatment is not available within 50-kilometres from your main home and, recommends that a support person goes with you, this benefit will pay \$200 for each night the support person stays with you for treatment, for up to 10 nights.  This benefit will also reimburse you for reasonable public transport the support person uses to travel directly to and from the treatment for up to 10 nights.	You don't have to worry about the additional costs of having your loved one with you if treatment is unavailable locally.
<b>Financial and Legal Advice Benefit</b>	A reimbursement of up to \$2,500 for the costs of receiving professional advice.	This benefit is paid as a reimbursement for the costs of getting legal or financial planning advice about using money from a Complete Disablement Benefit.	Allows for consultation of a financial planner or legal professional if you require financial or legal advice in regards to how to invest the benefit paid.
<b>Life Events Benefit</b>	Allows you to increase your sum insured by up to \$250,000 if you experience a certain life event, without further assessment of your health.	These certain life events include getting married or entering a civil union, giving birth to or legally adopting a child, getting an annual salary increase, taking out a mortgage or buying a property. For a full list of events covered, please refer to the terms and conditions of the Complete Disablement Cover.  All increases under this benefit can't be more than 75 percent of the original Complete Disablement Cover sum insured.  You must apply for the Life Events Benefit within 180 days of the event happening, or within 60 days of the anniversary date after the event happened.  This benefit ends on your 60 <sup>th</sup> birthday.	Allows you to keep your insurance up to date with your changing lifestyle, without providing any further evidence of your health.

## Optional benefits

Optional benefits that you can choose to add for an additional premium:

Optional benefit	What is it?	How it works	Why it's important
<b>Optional Guaranteed Insurability</b>	Allows you to increase your sum insured every 2 years by up to \$50,000 without further assessment of your health.	<p>This option allows you to increase the Complete Disablement Cover sum insured on every second anniversary date by the lesser of 25 percent of the underwritten sum insured or \$50,000, without further assessment of your health.</p> <p>All increase under this option can't be more than the lesser of 2 times the underwritten Complete Disablement Cover sum insured or \$500,000.</p> <p>The Optional Guaranteed Insurability must be used within 60 days of the relevant anniversary date.</p> <p>This option ends on your 60<sup>th</sup> birthday.</p>	Allows you to keep your insurance up to date with your changing lifestyle, without providing any further evidence of your health.
<b>Optional Life Cover Buy-Back</b> (accelerated only)	You can 'buy back' your Life Cover (that has been reduced) if you've made a claim on your accelerated Complete Disablement Cover.	<p>This option allows for the 'buy back' of some or all of the Life Cover sum insured that has been reduced as a result of a Complete Disablement Benefit paid on the accelerated Complete Disablement Cover, without further assessment of your health.</p> <p>You have 60 days to use this option after 12 months has passed since the Complete Disablement Benefit claim was paid.</p>	Allows you to regain the level of your Life Cover after an accelerated Complete Disablement claim has been paid.

## Some facts to think about



**There are an estimated 60,000** stroke survivors in New Zealand; many are disabled and in need of significant daily support.

(stroke.org.nz: 2018)



During the June 2018 quarter, there were **92,642 working-age people** (aged 18-64 years) in receipt of Supported Living Payment\*

\*a payment for people who have, or who are caring for someone with, a health condition, injury or disability that severely limits their ability to work on a long-term basis (Ministry of Social Development Supported Living Payment - September 2018 Quarter)

### If you're still not sure, ask yourself.

If I became completely disabled, would I have enough money to cover my current living expenses and any additional costs I may have to pay for care or house alterations? Would my family be able to support themselves without my income?

If 'no', then now is a good time to talk to your financial adviser.

**Talk to your financial adviser**

**Call us on 0508 464 999**

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**Cigna Life Insurance New Zealand Limited**

