

# COMPLETE DISABLEMENT COVER



## What is Complete Disablement Cover?

Insurance that provides a lump sum amount if you or a key person becomes completely disabled due to illness or injury.

## Why do you need Complete Disablement Cover?

Many of us invest our lifetime and a lot of money into building a successful business. Having Complete Disablement Cover means if you or a key person within your business becomes completely disabled through illness or injury your business can either continue to operate into the future or provide you with money to buy or sell out.

Some examples of how this money can help are:

- › a cash injection to help your business continue operating
- › clearing business debt or loans
- › recruitment costs to find a replacement person
- › succession planning
- › executing a buy/sell agreement.

## Complete Disablement Cover overview

<b>Entry criteria:</b>		Minimum entry <b>age 20</b> Maximum entry <b>age 60</b>
<b>Cover amount:</b>		Maximum cover amount <b>\$5,000,000</b> occupational definition (to age 65) <b>\$3,000,000</b> occupational definition (age 66-70) <b>\$3,000,001 - \$5,000,000</b> non-occupational definition (age 66-70)
<b>Cover term:</b>		To <b>age 70</b>

### Occupation classes:

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

#### 4 '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

Complete Disablement Cover is 'accelerated' against Life Cover. This means that in the event of a claim for Complete Disablement Cover, the amount paid will be deducted from the balance of the Life Cover sum insured.

## Meaning of completely disabled

Complete Disablement Cover is offered on an 'own' occupation (for occupation classes 1-3) or 'any' occupation basis (occupation classes 1-4). 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

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

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

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

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, annually

**Payment method:**



Direct debit, credit/debit card

### Premium review structure

Under Complete Disablement Cover, you will have a 1 Year premium review period. This means your premiums will be recalculated on each anniversary date based on your sum insured, age-related changes and, if applicable, any changes to Cigna's protection premium rates or relevant laws.

## Some facts to think about



In 2018, the incidence rate was **129 claims per 1,000 FTEs** for self-employed people compared to 98 claims per 1,000 FTEs for employees.

(Statistics New Zealand, Injury statistics - work-related claims 2018)



**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)

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

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

If I or a key person became completely disabled, would the business be able to continue operating?

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

## 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 the definition of complete disability, the full Complete Disablement Cover sum insured may be payable.	Provides support to minimise the financial impact on the business 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, up to \$10,000, to get you back to New Zealand if you become completely disabled while 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.	The benefit is paid as a reimbursement of 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.

## 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
<p><b>Optional Guaranteed Insurability</b></p>	<p>Allows you to increase the sum insured once a year without further assessment of health if there's a circumstance which justifies an increase to your business insurance need for you or a key person.</p>	<p>You can increase your Complete Disablement Cover without providing any further evidence of health in the following circumstances:</p> <ul style="list-style-type: none"> <li>› the value of your ownership of the business increased</li> <li>› your value as a key person to the business increased</li> <li>› the value of your share of the business loan or guarantee to the business increased.</li> </ul> <p>The maximum amount that the sum insured can be increased by is the lesser of the Guaranteed Insurability multiple shown on your policy schedule (2, 3, 4 or 5) multiplied by the original sum insured or \$5 million.</p> <p>You can apply for an increase once every policy year.</p> <p>This option expires on your or a key person's 65<sup>th</sup> birthday.</p>	<p>Allows you to keep your insurance up to date with your increasing business insurance needs without providing any further evidence of health.</p>
<p><b>Optional Life Cover Buy-Back</b></p>	<p>You can 'buy back' your Life Cover (that has been reduced) if you've made a claim on your accelerated Complete Disablement Cover.</p>	<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>	<p>Allows you to regain the level of your Life Cover after a Complete Disablement claim has been paid.</p>

**Talk to your financial adviser**

**Call us on 0508 464 999**

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