

COMPLETE DISABLEMENT COVER



What is Complete Disablement Cover?

Complete Disablement Cover is an insurance that pays you a lump sum amount if you become completely disabled due to 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.

How does it work?

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

Entry criteria:		Minimum entry age 20 Maximum entry age 60
Cover amount:		Maximum cover amount \$2,500,000 (to age 65) \$1,000,000 (age 66-70)
Cover term:		To age 70

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 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.

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 or occupation class 5 applies. There is an extra premium payable for 'own' occupation.

The 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 are absent from your pre-disability occupation as a result of illness or injury, for at least 3 months and are unlikely to ever be able to work in your pre-disability occupation.

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

You are absent from your pre-disability occupation as a result of illness or injury, for at least 3 months and are unlikely to ever be able to work in your pre-disability occupation or engage in any other occupation for which you are reasonably suited by way of education, training or experience which would remunerate at a rate of 25% or less of your earnings over the last 12 month period of employment.

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

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

Alzheimer's Disease

Blindness

Cardiomyopathy

Dementia

End Stage Chronic Lung Disease

Major Head Trauma

Motor Neurone Disease

Multiple Sclerosis

Muscular Dystrophy

Parkinson's Disease

Diplegia, Hemiplegia, Paraplegia, Quadriplegia and Tetraplegia

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 perform an occupation, full benefits will also be paid if you suffer any of the following:

- 1 Complete and permanent loss of use of two limbs (limb being a hand or foot).
- 2 Complete and irrecoverable loss of sight in one eye (whether aided or unaided) and complete and permanent loss of use of one limb (limb being a hand or foot).
- 3 The complete and irrecoverable loss of sight of both eyes (whether aided or unaided).
- 4 After consideration of the medical evidence, you have suffered permanent cognitive impairment of the brain that has required you to be under continuous supervision by another adult person for at least three consecutive months, and at the end of that three month period you are likely to require on-going care and supervision by an adult person.
- 5 The total and irreversible inability to perform at least two of the five activities of daily living (listed below) without the assistance of another person.
 - › bathing and showering
 - › dressing and undressing
 - › eating and drinking
 - › using a toilet to maintain personal hygiene
 - › moving from place to place by walking, wheelchair or with the assistance of a walking aid.

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
Partial Disablement Benefit	A partial payment for loss of sight in one eye or the loss of use of one limb.	If you suffer the complete and irrecoverable loss of sight in one eye or the complete and permanent loss of use of one limb, 25% of the sum insured up to \$75,000 may be payable.	Allows you to receive a partial payment if you don't qualify for the full sum insured.
Return to Home Benefit	Cover for transport costs, up to \$10,000, to get back to New Zealand if you become completely disabled while overseas.	If you have been residing outside of New Zealand for more than three consecutive months and become completely disabled, this benefit provides a reimbursement of the cost of returning to New Zealand, up to \$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.
Support Person Accommodation Grant and Transfer Benefit	Reimbursement of costs incurred when a support person is required to accompany you outside your residential region for treatment that is necessary but not available locally.	An appropriate medical practitioner must confirm a support person is required. The accommodation cost that may be payable up to a total of 10 days, is a maximum of \$200 per day. Reimbursement for support person transport costs may be payable provided that those costs are the usual, reasonable and customary costs for public transport directly to and from the treatment destination.	You don't have to worry about the additional costs of having your loved one with you if treatment is unavailable locally.
Financial and Legal Advice Benefit	An additional payment of \$2,500 for reimbursement of financial planning or legal advice fees.	The benefit is paid as a reimbursement of fees for financial planning and/or legal advice obtained by you for the use and protection of the Complete Disablement Cover.	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.
Life Events Benefit	Ability to increase your cover by up to \$250,000 after certain 'life events' without providing any further evidence of your health.	These events include marriage or civil union, divorce or legal separation, full-time care of a dependent relative, having a child, increase in annual salary, taking out a mortgage, purchasing property. For a full list of events covered, please refer to policy wordings. The maximum increase under the Life Events Benefit during the duration of the contract is limited to 75% of the original Complete Disablement Cover sum insured. You must apply for the Life Events Benefit within 180 days of the event occurring, or within 60 days of the policy anniversary date after the event occurring. This benefit expires on your 60 th 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
Optional Guaranteed Insurability	Allows you to increase your cover every 2 years by up to 20% or \$50,000 (whichever is the lesser) without providing any further evidence of your health.	The total maximum increase available is 2 times the underwritten Complete Disablement Cover sum insured, up to \$500,000. The Optional Guaranteed Insurability must be exercised within 30 days of the applicable policy anniversary date. This option expires on your 60 th birthday.	Allows you to keep your insurance up to date with your changing lifestyle, without providing any further evidence of your health.
Optional Life Cover Buy-Back (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.	The Optional Life Cover Buy-Back allows for the 'buy back' of Life Cover that has been reduced as a result of a claim payment for the full accelerated Complete Disablement Cover sum insured, without providing any further evidence of health. Once 12 months have past since the claim was paid you have 60 days to exercise this option.	Allows you to repurchase your Life Cover after a Complete Disablement Cover claim has been paid.

Some facts to think about



Approximately 24% of people in New Zealand have a disability.

(Statistics New Zealand, Disability Survey 2013)



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.

What's not covered?

- › Intentional self-inflicted harm including attempted suicide
- › Participating 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.

Open out for more details on the benefits

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

There are a number of options available to you regarding how your premium review periods can be structured. 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.

- › **1 Year** - Premiums will adjust each year on your policy anniversary in line with your increasing age and any underlying premium rate changes that have occurred since your last policy anniversary date.
- › **5 Year** - Assuming your cover doesn't change, your premiums will remain the same for each 5 year period.

The underlying premium rate is guaranteed which means if there is a change in the underlying premium rates, your premium will remain the same until each 5th policy anniversary.

- › **5 Year 5% Stepped** - Your premiums will increase by a fixed rate of 5% each year on your policy anniversary for 5 years (assuming your cover doesn't change).

The underlying premium rate of 5% is guaranteed for each 5 year period.

- › **10 Year** - Assuming your cover doesn't change, your premiums will remain the same for each 10 year period. However, your premiums may increase if there is an increase in Cigna's underlying premium rates.

Talk to your financial adviser

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Important information

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Cigna Life Insurance New Zealand Limited

