

PREMIUM COVER



What is Premium Cover?

Insurance that pays your total premiums needed to continue your policy if you become disabled, are made redundant, declared bankrupt or if your company goes into liquidation.

Why do you need Premium Cover?





If you were to become disabled and unable to earn an income, then your financial priorities would change. If you have the right insurance in place you shouldn't have to tighten your purse strings too much. Premium Cover assists you by paying for the cost of your policy for the entire time you are on claim, meaning you have one less thing to budget for.

Premium Cover is an integral part of Income Cover and Mortgage Repayment Cover but it's just as important to have alongside all of our other Assurance Extra Covers such as:

- › Life Cover and Life Income Cover
- › Trauma Cover
- › Complete Disablement Cover.

Regardless of the covers you choose, Premium Cover will pay your premium should you become disabled, be made redundant or bankrupt or if your company goes into liquidation.

Premium Cover overview

Entry criteria:		Minimum entry age 16 Maximum entry age 55 <small>(age 60 for Occupation Class 1 and 2)</small>
Cover amount:		Total premium
Cover term:		To age 65 To age 70 <small>(if Cover term "to age 70" on Income Cover or Mortgage Repayment Cover is chosen)</small>
Waiting period:		You can choose a waiting period of: 4, 8 or 13, 26 or 52 weeks

Occupation classes: 1-5

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.

Mandatory cover:

It's mandatory to have Premium Cover if you have selected the Assurance Extra Income Cover or Mortgage Repayment Cover.

Meaning of total disability

Total disability is dependent on your occupation class.

For occupation classes 1-4:

Total disability means because of an illness or injury, you are unable to work, and aren't working, more than 10 hours a week in your pre-disability occupation and you're not working in any other occupation.

For occupation class 5:

Total disability means because of an illness or injury, you are continuously confined to home or hospital under medical supervision and unable to perform at least two of the activities of daily living (listed below) without the help of another adult.

- › bathing or 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
- › Pregnancy or complications resulting from pregnancy, unless the disability lasts more than 90 days after the pregnancy
- › Not following the advice or treatment of, or under the regular care of, a medical practitioner
- › Increases to the total premium from increasing your cover or adding new covers while on Premium Cover claim.

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 period

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

Benefit details

Premium Cover provides several benefits that are built-in to the cover.

Some facts to think about



The average weekly household expenditure is **\$1,349** per week.

(www.stats.govt.nz - Household Expenditure Statistics: Year Ended June 2019)



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)



In 2018, **238,800** claims were made to ACC for work-related injury.

(stats.govt.nz injury statistics - work-related claims: 2018)

If you're still not sure, ask yourself.

If I became disabled could I afford to continue paying my insurance premiums to ensure my insurance cover remained in place for me and my family?

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

Built-in benefits

Premium Cover provides several benefits that are built-in to your cover including:

Benefit	What is it?	How it works	Why it's important
Disability Benefit	Your total premiums will be paid for if you become disabled.	If you've been totally disabled or partially disabled during the waiting period and remain totally disabled or return to work with a partial disability, where an illness or injury causes you to be unable to earn more than 75 percent of your pre-disability income from your pre-disability occupation, this benefit will pay for the regular total premiums needed to continue your policy.	Relieves you and your family of the financial responsibility of paying your premium during your treatment and recovery, or while you ease back into work.
Redundancy, Bankruptcy and Liquidation Benefit	Your total premium will be paid if you are made redundant, declared bankrupt or if your company goes into liquidation.	If you were made redundant, declared bankrupt or your company goes into liquidation for at least the waiting period, this benefit will continue to pay for the total premium on your policy for up to 6 months or until you return to work (whichever happens first).	Ensures that your policy remains in force in the event you lose your job or are made bankrupt.
Bereavement Loyalty Benefit	If you die, your total premiums will be paid for the remaining lives assured on the policy for up to 2 years.	If you die, this benefit will pay for the total premium for the remaining lives assured on the policy for up to 2 years. This benefit is only available when your policy has been in force for at least 3 years in a row.	Reassurance that if the worst was to happen, your family will still be covered after you've gone.
Recurrent Disability Benefit	Waiver of your waiting period if your disability returns within 12 months of going off claim.	If you become totally disabled or partially disabled again because of the same illness or injury within 12 months of the original Disability Benefit claim ending, your waiting period will be waived and your claim for the same illness or injury will be assessed as a continuing claim on the original Disability Benefit claim.	If you suffer a recurrence of the same disability you are not unfairly penalised by having to wait out the period again.

Talk to your financial adviser

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Important information

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Cigna Life Insurance New Zealand Limited

