

COMPLETE DISABLEMENT COVER



What is Complete Disablement Cover?

Complete Disablement Cover is an 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.

How does it work?

A lump sum amount is payable if you or a key person in your business becomes completely disabled due to an illness or injury. 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

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

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

Occupational criteria

If 'own' occupation applies

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

If 'any' occupation applies

You are absent from your pre-disability occupation as a result of illness or injury, for at least three 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

If you are diagnosed with one 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

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.

What's not covered?

- › Intentional self-inflicted harm including attempted suicide
- › Participating in a criminal activity

Benefit review

You must provide us with regular information at least every three years that confirms the sum insured is still applicable for your business.

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 one year premium review period. This means your premiums will adjust each year on your policy anniversary in line with your increasing age and underlying premium rate changes that have occurred since your last policy anniversary date.

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
Complete Disablement Benefit	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.
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 nights, is a maximum of \$200 per night. 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.

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>Optional Guaranteed Insurability</p>	<p>Allows you to increase your cover if you or a key person's financial interests in the business, proportion of ownership or value of the business increases.</p> <p>You will not have to provide any further evidence of your health.</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"> › your proportion of ownership of the business increasing; or › your loan guarantees to the business increase; or › the value of your business increases; or › you or a key person's value to the business increases (other than through increased ownership) e.g. promotion to a more important role or the establishment of significant customer relationships, etc. <p>The maximum amount that the sum insured can be increased by is the Guaranteed Insurability multiple shown on your policy schedule (2, 3, 4 or 5) multiplied by the original sum insured or \$5 million (whichever is the lesser).</p> <p>You must apply for Optional Guaranteed Insurability within 90 days of the applicable business event occurring.</p> <p>This option expires on your or a key person's 65th birthday.</p>	<p>Allows you to keep your insurance up to date if there is an increase in the value of the business or financial interests without providing any further evidence of your health.</p>
<p>Optional Life Cover Buy-Back</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>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 your health.</p> <p>Once 12 months have past, since the claim was paid, you have 60 days to exercise this option.</p>	<p>Allows you to repurchase your Life Cover after a Complete Disablement Cover claim has been paid.</p>

Talk to your financial adviser

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