

Income Protection Cover

ABOUT INCOME PROTECTION COVER

Your ability to earn an income is probably your most important asset, and the financial consequences of a disability or extended illness that prevents you working could be devastating for you or your family. Income Protection Cover gives you up to 75% of your pre-disability earnings and includes a range of recovery and rehabilitation benefits to help you get back on your feet faster.

KEY FACTS

Ages

- Entry age is from age 16 to 59. (Age 55 for 'to age 70' benefit.)
- Cover ends at age 65, unless the benefit period is to age 70.

Level of cover

- The maximum monthly benefit is \$25,000, subject to financial and medical assessment.

Two types of premiums available

- Yearly renewable premiums are fixed for one year at a time and will normally increase in line with age.
- Level term premiums are fixed for the life of the policy.

TWO VARIATIONS OF COVER

Indemnity Value – up to 75% of your gross annual income can be insured if you select this benefit.

- If you are disabled we will pay the monthly benefit less other income until the period of disablement ends, the benefit period expires, you reach age 65 (unless the benefit period is to age 70), or you die. We do not pay a monthly benefit during the waiting period.
- For the first six months (less the waiting period) of any claim, the benefit will be based on the specified monthly benefit less other income.
- After six months, the amount of the benefit will be the lesser of the specified monthly benefit or 75% of your pre-disability earnings less other income at the time of the claim.
- The monthly benefit applied for must be substantiated at either application time or claim time.

Agreed Value – up to 62.5% of your total gross annual income if it is no greater than \$70,000; up to 60% if it is between \$70,001 and \$99,999; or up to 55% if it is \$100,000 or more; (averaged over the last three years for self employed persons), can be insured if you select this benefit.

- We will pay the monthly benefit less other income until the period of disablement ends, the benefit period expires, when you reach age 65 (unless the benefit period is to age 70), or you die.
- We do not pay a monthly benefit during the wait period.
- Proof of income must be provided at application time.

STANDARD FEATURES

Partial advance payment – We will pay 50% of the first month's monthly benefit after the end of the wait period. Conditions apply.

Benefit payment period – The available benefit periods are: 2 years, 5 years, to age 65 or to age 70.

Waiting period – You can select the period for which you are prepared to self-insure. We offer seven waiting periods: 2 weeks, 4 weeks, 8 weeks, 13 weeks, 26 weeks, 52 weeks or 104 weeks.

Partial disability benefit – Where you have been totally disabled for at least 14 continuous days, and subsequently can work part-time but with a reduction in earnings, a partial benefit may be payable.

Family member support benefit – If you are confined to bed, and require full-time care, this benefit provides financial support for an immediate family member who provides care and whose own income ceases as a result.

Hospitalisation/nursing care benefit – This provides additional financial support for bed care during the waiting period for up to 90 days.

Rehabilitation benefit – This is payable in addition to the monthly benefit, if you undertake an approved rehabilitation programme for the purpose of retraining or re-education.

Recovery support benefit – This is payable in addition to the monthly benefit, to assist in recovery and rehabilitation costs such as buying a wheelchair, prosthetic devices, and house and car modifications.

Recurring claim benefit – The waiting period is waived on claims which result from a relapse or recurrence of the same or related illnesses within 12 months of returning to work.

Benefit period reset – If we have paid you a claim and you suffer from the same or a related injury or sickness after returning to full time paid work for at least 12 continuous months and you become disabled or partially disabled, the benefit period and waiting period will start again.

Waiver of waiting period – The waiting period of a new unrelated claim is waived in certain circumstances.

Unemployment – Benefits can still be paid even though you are unemployed, though the definition of disability changes.

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Relocation benefit – This may cover the cost of economy airfare back to New Zealand if disabled whilst overseas (maximum \$5,000).

Future Insurability – This may allow you to increase the monthly benefit by up to 10% without further medical evidence.

Replacement benefit – If you are self-employed at claim time you may be able to choose to employ a replacement and claim the cost of that person rather than receive the disability or partial disability benefit.

Leave Without Pay – This may allow you to cancel this cover with a right to reinstate without evidence of health if you take a period of leave without pay or become involuntarily unemployed for reasons other than disability. Limits and conditions apply.

OPTIONAL BENEFITS

Waiver of Premium Cover – While a disability or partial disability benefit claim is being paid for an insured person with the waiver of premium cover, the premiums due on the policy after the waiting period ends will be waived and premiums due and paid during the wait period will be refunded. This option requires payment of an additional premium.

Extra benefits option

Includes:

- **Death benefit** – A lump sum of three times the monthly benefit is payable if you die while on claim.
- **Total and Permanent Disability benefit** – Provides a benefit of 24 times the monthly benefit where the insured person has been paid a monthly benefit for 12 consecutive months and where the insured person is totally and permanently disabled.
- **Specific injury benefit** (see table) – A benefit for listed specific injuries, payable whether you are working or not, with no offsets.
- **Specified medical condition benefit** – If you suffer one of the specified medical conditions we will pay you the monthly benefit for a minimum period of six months, whether you are working or not. Specified medical conditions – angioplasty (triple vessel)*, aorta surgery*, cancer*, cerebrovascular accident (stroke)*, chronic renal (kidney) failure, coronary artery bypass surgery*, heart valve surgery*, major organ transplant, myocardial infarction (heart attack)*, multiple sclerosis, paralysis, severe burns. Cover for conditions marked* does not start until three months after the policy commencement date.

Claims escalation option – While on claim, your benefit will be linked to the Consumer Price Index (CPI) and adjusted every quarter.

Extended benefit option – This option allows your benefits to continue if you have been disabled for at least three months prior to your 65th birthday and you are unable to perform two or more activities of daily living.

Booster benefit option – This option increases your disability benefit by one third during the first three months of your claim. Where a partial disability benefit is paid after the waiting period ends, an additional 25% of that amount will be paid for up to a maximum of 12 months.

Retirement protection benefit option – This provides for continued payment of the insured person's KiwiSaver employee contributions to your KiwiSaver scheme via the IRD.

Continuation Option – This option only applies if your premiums are level. It allows the policy to continue with the same level of cover on a YRT basis at expiry of policy term or to take up another level term policy. Condition apply.

All of the above require payment of an additional premium.

Inflation protection – To ensure your benefit keeps pace with inflation, you can choose to have your cover increase each year by the greater of 2% or the Consumer Price Index, regardless of health.

Where premiums are level and the indexation option has been selected, the sum assured will be increased by a fixed rate of 2% each year.

Back and mental disorder limitation – If you limit the benefit period for a mental disorder or back claim to two years, you will qualify for a premium reduction of up to 20%.

SPECIFIC INJURY BENEFIT

Specific injury means:	The payment period
Paralysis (diplegia, hemiplegia, paraplegia, quadriplegia)	60 months
Loss of:	
i) Both feet or both hands or sight of both eyes	24 months
ii) Any combination of two of: a hand; a foot; sight in one eye	24 months
iii) One leg or arm	18 months
iv) One foot or one hand or sight in one eye	12 months
v) Thumb and index finger of the same hand	6 months
Fracture of:	
i) Leg above the knee (femur), pelvis	90 days
ii) Leg below the knee (tibia or fibula)	60 days
iii) Ankle, heel	60 days
iv) Kneecap	60 days
v) Vertebrae	60 days
vi) Upper arm, shoulder bone, elbow	60 days
vii) Wrist	45 days
viii) Forearm, collarbone	30 days
ix) Skull, jaw	30 days

Fracture means any fractures resulting from an accident requiring fixation, immobilisation or plaster cast treatment of the affected area within 48 hours of the accident.

FINANCIAL STRENGTH RATING

A- (Excellent)

Fidelity Life has an A- (Excellent) financial strength rating given by A.M. Best.

SECURE

- A++, A+ (Superior)
- A, A- (Excellent)
- B++, B+ (Good)

VULNERABLE

- B, B- (Fair)
- C++, C+ (Marginal)
- C, C- (Weak)
- D (Poor)
- E (Under Regulatory Supervision)
- F (In liquidation)
- S (Suspended)

The A.M. Best financial strength rating relates to Fidelity Life's insurance and investment business. For the latest ratings, visit www.ambest.com. The rating should not be read as a recommendation. The scale of which this rating forms part of is available from Fidelity Life.

IMPORTANT NOTE ABOUT THIS FACTSHEET

This factsheet is a convenient summary of the key points of this insurance policy. It is not, and is not intended to be, a policy document. Details of definitions, benefits, standard exclusions/limitations, terms and conditions are contained in the official policy document which is available from your financial adviser. You should read the policy document carefully to make sure you understand exactly what cover is provided under each benefit. This document does not provide a personalised financial advice service.

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