

Rural Key Person Cover

ABOUT RURAL KEY PERSON COVER

Rural Key Person Cover will pay you a monthly income if a key person is disabled and unable to work because of illness or injury. Unlike most businesses, a farm cannot afford to stop operating in the event of a loss of a key worker. Rural Key Person Cover allows you to replace that person and therefore keep the farm ticking over. This policy provides a replacement income of up to 35% of pre-disability earnings, or 35% of gross farm turnover, up to a maximum of \$10,000 per month.

The financial consequences of a disability or extended illness could be devastating for your lifestyle and those that depend on you. The standard income protection benefit is based on audited earnings after interest and depreciation. This may be cumbersome for a smallscale farmer to substantiate, whereas gross farm income is easier to substantiate.

KEY FACTS

Ages

- Entry age is from age 16 to age 59
- The cover ceases at age 65.

Premiums

- Payable fortnightly, monthly, quarterly, half-yearly or yearly
- 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.

Level of cover

- The maximum monthly benefit is \$10,000, subject to financial and medical assessment.
- This is an “agreed benefit” contract.

STANDARD FEATURES

- If you are disabled we will pay the specified monthly benefit less other income until the period of disablement ends, or the benefit period expires, or you reach age 65, or you die. We do not pay a monthly benefit during the waiting period.
- In calculating the amount of benefit, other income replacement benefits being received (such as ACC) will reduce this amount.

Partial advance payment – We will pay 50% of the first month’s monthly benefit after the end of the wait period. Any advance payment will be deducted from the first month’s monthly benefit. Thereafter the monthly benefit will be paid in arrears. Conditions apply.

Benefit payment period – When you take out this policy you can decide the maximum period of any benefit payment. The shorter the benefit period, the lower your premium will be. The three available benefit periods are: up to 2 years, up to 5 years, to age 65. (Eligibility for cover to age 65 is restricted to certain farming occupations.)

Waiting period – You can also select the period for which you are prepared to self-insure. The longer the waiting period, the lower your premium will be. We offer seven waiting periods: 2 weeks, 4 weeks, 8 weeks, 13 weeks, 26 weeks, 52 weeks, 104 weeks. (Some wait periods are restricted to certain farming occupations.)

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

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

Specified medical condition benefit – This provides for a minimum payment period of 6 months on diagnosis of any of the specified medical conditions (see table).

Inflation protection – You can choose to have your Rural Key Person cover increase each year by the greater of 2% or the Consumer Price Index up to age 65, regardless of health. Each year we will advise you of the increased sum assured and new premium.

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.

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. The maximum payment is 50% of the monthly benefit for up to 12 months.

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 which we consider necessary. The maximum payment is six times the monthly benefit.

Death benefit – A lump sum of three times the monthly benefit if you die while on a claim.

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.

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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 within 12 months of returning to work is waived in certain circumstances.

Relocation benefit – This covers cost of an economy air fare back to New Zealand if you are disabled whilst overseas (maximum \$5,000).

Family member accommodation benefit – This provides up to \$100 a night for a family member to be away from their normal residence if treatment is more than 50 km away. This benefit is possible only once for a period of up to three months.

Replacement Cover -If you stop farming and take another job, you can ask us to issue another cover under similar terms within three months. Conditions apply.

OPTIONAL BENEFITS

Rural Key Person Booster Benefit

- Increases the monthly benefit by 25% if on claim during a nominated peak season period; or
- Upon the occurrence of a specific injury (see table) pays a monthly benefit for a set payment period.
- An additional 25% of the partial disability benefit being paid will be paid for up to 12 months.

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	3 months
ii) Leg below the knee (tibia or fibula)	2 months
iii) Ankle, heel	2 months
iv) Kneecap	2 months
v) Vertebrae	2 months
vi) Upper arm, shoulder bone, elbow	2 months
vii) Wrist	1.5 months
viii) Forearm, collarbone	1 month
ix) Skull, jaw	1 month

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.

Continuation option – Applies to Level Term only. 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.

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.

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

All of the above require payment of an additional premium.

SPECIFIC MEDICAL CONDITIONS

Accidentally acquired HIV
 Alzheimer's disease/Dementia
 Angioplasty*
 Aorta surgery*
 Aplastic anaemia
 Benign brain tumour
 Cancer*
 Cardiomyopathy
 Cerebrovascular accident (stroke)*
 Chronic liver failure
 Chronic lung disease
 Chronic renal (kidney) failure
 Cognitive Impairment
 Coma
 Coronary artery bypass surgery*
 Creutzfeldt-Jakob disease
 Encephalitis
 Heart Valve Surgery*
 Loss of independent existence
 Loss of limbs and/or eyes
 Loss of speech
 Major head trauma
 Major organ transplant
 Motor neurone disease
 Multiple sclerosis
 Muscular dystrophy
 Myocardial infarction (heart attack)*
 Occupationally-acquired HIV
 Out of hospital cardiac arrest*
 Paralysis:

- diplegia
- hemiplegia
- paraplegia
- quadriplegia
- tetraplegia

 Parkinson's disease
 Pneumonectomy
 Primary pulmonary hypertension
 Severe burns
 Systemic sclerosis
 Total blindness
 Total deafness

* Three month stand-down from commencement of cover. Please see the policy wording for full definitions, terms and conditions.

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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