

# Total and Permanent Disability Cover

## ABOUT TOTAL AND PERMANENT DISABILITY COVER

While for most people the early death of an income earner would cause serious financial strain for those left behind, the financial impact would be just as serious if that income earner became totally and permanently disabled and unable to work for the rest of their life. In some cases the hardship experienced would be even more profound as ongoing daily living and medical costs for the disabled person could be significant.

Total and Permanent Disability Cover ensures you will receive a cash lump sum if you become totally and permanently disabled – and therefore unable to work – through injury or illness.

### KEY FACTS

- Cover extends past retirement age.
- Cover can include people not in paid employment, such as homemakers and students.
- The policy comes with some important benefits at no extra cost. You can also add one or more optional benefits for which you will pay an additional premium.

#### Ages

- Entry age is from age 16 to 64
- Cover expires at age 100.

#### Level of cover

- You can insure up to a maximum of \$5 million, subject to financial and medical underwriting.
- You can 'inflation proof' your cover by increasing it each year in line with the CPI.

#### 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.

### STANDARD FEATURES

- Your cover can either be held on its own or added to your life insurance policy.
- If added to a life policy, you can select either an 'accelerated benefit' or a 'standalone benefit'.
- The lump sum will be paid if you are so disabled through injury or illness that you are unlikely ever to be able to perform the duties of your own or any other occupation.
- An 'own occupation' definition is available for certain professional groups.
- A Partial Benefit of up to \$75,000 may be payable on the loss of use of a limb or sight in one eye.

#### Accelerated or standalone benefits

- If you select the accelerated benefit, and a claim is paid, the amount of the claim will be deducted from the life cover on your policy.
- If you select the standalone benefit, the payment of a claim will not reduce the life cover under the policy.

**Occupation includes unpaid home duties** – This policy can include unpaid home duties as an occupation and therefore a house-person can also be covered. The policy requires that, as a result of your disability, you are confined to your principal place of residence.

**Exclusions** – You are not covered if the total and permanent disability occurs as a result of an intentionally self-inflicted act or injury.

**Financial planning benefit** – If a benefit greater than \$100,000 is paid, a further benefit of up to \$2,500 may also be payable to reimburse the cost of a financial plan prepared by an Authorised Financial Adviser.

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**Future insurability option** – You can increase your Total and Permanent Disability cover without further medical evidence on the occurrence of certain events. These events include getting married, civil union, having children, taking out a mortgage, death of a spouse, partner or child, or stopping work to take full time physical care of a dependent relative, or your shareholding in a business increasing. Not available with Level Term.

Refer to policy documents for details.

**Premium holiday option** – You may opt to suspend cover and premiums in the event of redundancy, bankruptcy, tertiary studies or overseas travel. Cover can be reinstated without evidence of health within one year from the start of this option. The maximum sum assured under this option is \$500,000. The Premium holiday option may be exercised once in the lifetime of the policy. Not available with Level Term.

## OPTIONAL BENEFITS

**Waiver of Premium Cover** – while the insured person with the Waiver of Premium Cover is totally disabled, the premiums due on the policy after the waiting period ends will be waived and premiums paid during the waiting period will be refunded.

**Life cover buy-back option** – One year after the payment of an accelerated total and permanent disability benefit, you may repurchase life cover amount without having to provide any health evidence. The maximum life cover that can be repurchased is the benefit paid. Available with accelerated cover only.

**Business future insurability option** – Circumstances such as an increase in the value of your business can mean you need more cover. The future insurability option allows you to increase your cover without evidence of health. Financial evidence will be required. Not available with Level Term or Mortgage Protector.

All the above require payment of an additional premium.

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

**Continuation option** – 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. Applies to Level Term only.

## 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](http://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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