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LIVING ASSURANCE

TotalCare**Max**

Customer Guide

WHAT IS LIVING ASSURANCE?

LIVING ASSURANCE PROVIDES YOU AND YOUR FAMILY WITH PEACE OF MIND.

Significant health scares such as cancer, heart attacks, strokes, or even serious accidents can happen to anyone. Whilst our public health system provides quality emergency care and treatment for serious medical conditions, New Zealand families may struggle with financial hardship caused by illness. Having the right insurance cover can provide your family with financial relief.

Sovereign's Living Assurance Benefit pays a lump sum claim payment if you or your children suffer from one of over 40 defined medical conditions. You may choose to spend the claim payment however you like, such as paying for medical treatment, rehabilitation costs, or to provide financial breathing space to enable you or your family members to recover.

LIVING ASSURANCE IS AVAILABLE IN TWO OPTIONS:

1

Sovereign Comprehensive Living Assurance: Provides you with cover for over 40 defined critical medical conditions with full payment of your entire sum assured for over 40 defined conditions, and over 10 partial payments depending on the severity of the condition.

2

Sovereign Essential Living Assurance: Provides cover for the key conditions while controlling the cost of your insurance. You are still covered for over 40 defined critical medical conditions; however, you receive a full payment for over 10 conditions and a partial payment for the remaining over 30 defined conditions.

- › **Eligible occupations:** All included.
- › **Eligible ages:** From 16 years onwards.
- › **Term of cover:** Renewable each year with no age limit.
- › **Worldwide Cover:** Provides cover anywhere in the world, 24 hours a day.

DID YOU KNOW?

Every day, 58 new cancer cases
are registered and there are

23 DEATHS

from cancer in New Zealand¹

OVER 2,900

New Zealand men are diagnosed with prostate
cancer every year²

Around

2,800

**NEW ZEALAND
WOMEN AND 20 MEN**

are diagnosed with breast cancer every year⁵

Every day about

24 NEW ZEALANDERS

have a stroke. A quarter occur in people under 65³

Overall, the most common type of cancer
in those aged

**25 YEARS &
YOUNGER**

is leukaemia⁴

Source

¹ Ministry of Health 2012: New registrations and deaths 2010 (latest available)

² Ministry of Health 2012: New registrations and deaths 2010 (latest available)

³ The Stroke Foundation of New Zealand, 2014

⁴ Ministry of Health 2012: New registrations and deaths 2010 (latest available)

⁵ The NZ Breast Cancer Foundation website 2012

WHAT'S COVERED?

TOTALCAREMAX LIVING ASSURANCE COVERS OVER 40 DEFINED MEDICAL CONDITIONS.

Sovereign's Living Assurance Benefit covers you and your children for over 40 defined medical conditions.

Comprehensive Living Assurance is designed to provide a full payment of the sum assured for specified serious medical conditions and partial payments for significant but non-life threatening conditions, including severe Crohn's disease, osteoporosis, rheumatoid arthritis and ulcerative colitis.

Essential Living Assurance offers you a lower cost option than Comprehensive Living Assurance which provides coverage for a similar set of conditions but with fewer full payments and more partial payments.

	3 Month stand down period	COMPREHENSIVE				ESSENTIAL		
		Full payment	Partial payment	Children's Trauma Benefit	Optional Children's and Maternity	Full Payment	Partial Payment	Children's Trauma Benefit
CANCER								
Carcinoma-in-situ	✓	-	✓	✓	✓	-	✓	-
Carcinoma-in-situ radical surgery	✓	✓	-	✓	✓	✓	-	✓
Malignant tumours	✓	✓	-	✓	✓	✓	-	✓
Prostate cancer	✓	✓	-	✓	✓	✓	-	✓
HEART								
Angioplasty - less than 3 vessels	✓	-	✓	✓	✓	-	-	-
Angioplasty - 3 vessels or more	✓	✓	-	✓	✓	-	-	-
Aortic surgery	✓	✓	-	✓	✓	-	✓	-
Cardiomyopathy	-	✓	-	✓	✓	-	✓	-
Coronary artery bypass surgery	✓	✓	-	✓	✓	✓	-	✓

	3 Month stand down period	COMPREHENSIVE				ESSENTIAL		
		Full payment	Partial payment	Children's Trauma Benefit	Optional Children's and Maternity	Full Payment	Partial Payment	Children's Trauma Benefit
HEART (CONT.D)								
Heart attack	✓	✓	✓	✓*	✓*	✓	-	✓
Heart valve surgery	✓	✓	-	✓	✓	-	✓	-
Out-of-hospital cardiac arrest	✓	✓	-	✓	✓	-	✓	-
Pulmonary hypertension	-	✓	-	✓	✓	-	✓	-
MAJOR NEUROLOGICAL DISEASE								
Alzheimer's disease	-	✓	-	✓	✓	-	✓	-
Benign brain tumour	-	✓	✓	✓*	✓*	-	✓	-
Coma	-	✓	-	✓	✓	-	✓	-
Creutzfeldt-Jakob disease	-	✓	-	✓	✓	-	✓	-
Dementia	-	✓	✓	✓*	✓*	-	✓	-
Encephalitis	-	✓	✓	✓*	✓*	-	✓	-
Idiopathic Parkinson's disease	-	✓	✓	✓*	✓*	-	✓	-
Major head trauma	-	✓	-	✓	✓	-	✓	-
Meningitis	-	✓	-	✓	✓	-	✓	-
Motor neurone disease	-	✓	-	✓	✓	-	✓	-
Multiple sclerosis	✓	✓	✓	✓*	✓*	-	✓	-

	3 Month stand down period	COMPREHENSIVE				ESSENTIAL		
		Full payment	Partial payment	Children's Trauma Benefit	Optional Children's and Maternity	Full Payment	Partial Payment	Children's Trauma Benefit
MAJOR NEUROLOGICAL DISEASE (CONT.D)								
Muscular dystrophy	-	✓	✓	✓*	✓*	-	✓	-
Peripheral neuropathy	-	✓	-	✓	✓	-	✓	-
Stroke	✓	✓	-	✓	✓	✓	-	✓
PARALYSIS AND LOSS OF FUNCTIONALITY								
Diplegia	-	✓	-	✓	✓	✓	-	✓
Hemiplegia	-	✓	-	✓	✓	✓	-	✓
Loss of independent existence	-	✓	-	✓	✓	-	✓	-
Paraplegia	-	✓	-	✓	✓	✓	-	✓
Permanent blindness	✓	✓	✓	✓*	✓*	-	✓	-
Permanent loss of hearing	-	✓	✓	✓*	✓*	-	✓	-
Permanent loss of speech	-	✓	-	✓	✓	-	✓	-
Permanent loss of use of limbs	-	✓	✓	✓*	✓*	-	✓	-
Quadriplegia/ Tetraplegia	-	✓	-	✓	✓	✓	-	✓
OTHER KEY CONDITIONS								
Advanced diabetes	✓	✓	-	✓	✓	-	-	-
Aplastic anaemia	-	✓	-	✓	✓	-	✓	-
Chronic liver failure	✓	✓	-	✓	✓	-	✓	-

	3 Month stand down period	COMPREHENSIVE				ESSENTIAL		
		Full payment	Partial payment	Children's Trauma Benefit	Optional Children's and Maternity	Full Payment	Partial Payment	Children's Trauma Benefit
OTHER KEY CONDITIONS (CONT.D)								
Chronic lung disease	✓	✓	-	✓	✓	-	✓	-
Chronic renal failure	-	✓	-	✓	✓	✓	-	✓
HIV	-	✓	-	✓	✓	-	✓	-
Intensive care benefit	-	✓	✓	✓*	✓*	-	✓	-
Major burns	-	✓	-	✓	✓	-	✓	-
Major transplant surgery	-	✓	-	✓	✓	✓	-	✓
Severe Crohn's disease	✓	-	✓	-	-	-	-	-
Severe osteoporosis	✓	-	✓	-	-	-	-	-
Severe rheumatoid arthritis	✓	-	✓	-	-	-	-	-
Severe ulcerative colitis	✓	-	✓	-	-	-	-	-

* Partial payment unavailable

Subject to other policy criteria being met, Sovereign will pay a benefit if the life assured suffers any of these conditions (as defined by the policy document), has met the stand down period requirements, and survives for the minimum specified period.

The full definitions of these conditions can be found in the policy document. For any condition where you can claim a full payment, you can make only one claim under the policy for each life assured. For conditions with partial payments, the partial payment amount can be found in the policy document. Where a partial payment applies, the Living Assurance Benefit will be reduced by the amount of the benefit paid for these partial payments for the life assured.

If any of the conditions marked as having a three month stand down period occur, or symptoms or signs which lead to any of those conditions (whether or not a Registered Medical Practitioner has been consulted) occur within three months after the policy commencement date, then Sovereign will not pay a benefit for the life assured, or any child of the life assured covered under the Children's Trauma Benefit or the optional Children's and Maternity Benefit.

WHAT OTHER BENEFITS ARE AVAILABLE?

CHILDREN'S TRAUMA BENEFIT

If a child of the life assured suffers a covered condition, the Children's Trauma Benefit will pay a benefit of 50% of the sum assured (up to \$20,000). This benefit provides an opportunity for you to obtain trauma cover for the life assured's children at no additional cost. Importantly, the payment of the Children's Trauma Benefit will not reduce the amount of any Living Assurance Benefit remaining for you.

The Children's Trauma Benefit is payable once per child across all Sovereign policies and no underwriting applies. A 3 month stand down period and a 14 day survival period applies. Exclusions apply for any pre-existing or congenital conditions.

NEWBORN CHILDREN'S BENEFIT

If a biological child of the life assured is born with one of five defined congenital conditions and survives for 30 days after birth, the Newborn Children's Benefit will pay a benefit of 50% of the sum assured (up to \$20,000). You may choose to use this benefit to take time off work to care for the child. The payment of the Newborn Children's Benefit will not reduce the amount of any Living Assurance Benefit remaining for you.

Please note that Sovereign will pay one claim per child under either the Newborn Children's Benefit or the Children's Trauma Benefit across all Sovereign policies. A 12 month stand down period and 30 day minimum survival period applies.

OPTIONAL CHILDREN'S AND MATERNITY BENEFIT

Available with Comprehensive Living Assurance only.

This optional benefit provides additional children's trauma cover of up to a further 50% of the sum assured (up to a maximum of \$50,000) per child of the life assured for up to 10 children. This optional benefit is paid in addition to the Children's Trauma Benefit.

The Optional Children's and Maternity Benefit also provides you with cover for three defined serious pregnancy complications and a bereavement support benefit if a child of the life assured should tragically pass away before age 2.

A 3 month stand down period and a 14 day survival period applies. Exclusions apply for any pre-existing or congenital conditions.

FINANCIAL ADVICE BENEFIT

With the Financial Advice Benefit, you are able to obtain financial advice from a Sovereign-approved Financial Adviser at the time of receiving a full claim payment under your Living Assurance Benefit. Sovereign will reimburse you for fees of up to \$2,500 (incl. GST). This is a one-off payment across all Sovereign policies.

FLEXIBLE WAYS TO INCREASE YOUR COVER

Life changing events can increase your financial responsibilities. The Special Events Increase Facility and the Living Assurance Future Insurability Benefit offer you the opportunity to increase your Living Assurance Benefit up to once per year without having to provide further medical information.

Please note that these increases are not available if the life assured has already suffered a condition under the Living Assurance Benefit. Where a claim of another type has been notified or accepted for a life assured, Sovereign will exercise its discretion in determining if the increase can be applied based on the nature of the claim.

Special Events Increase Facility

The Special Events Increase Facility enables you to increase your Living Assurance Benefit following major life changes for the life assured. The specified list of events includes significant milestones in life known to result in increasing financial responsibilities. These special events include: having a child, getting married, taking out or increasing a residential home loan, achieving a significant salary increase and other major events.

Living Assurance Future Insurability Benefit

The Living Assurance Future Insurability Benefit allows you to increase your sum assured at every third policy anniversary. The Future Insurability Benefit does not require any specific events to occur.

Business Safeguard Facility

Available with the Business range of Comprehensive Living Assurance only.

A great option for a growing business, the Business Safeguard Facility provides you with the option to increase your benefit as your financial interests or your financial value to the business increases, without having to provide further medical information.

OPTIONAL EARLY STAGE CANCER UPGRADE

Available with Comprehensive Living Assurance only.

This optional benefit provides cover for a number of minor cancer conditions that are treatable and non-life threatening at the early stages of diagnosis. The Early Stage Cancer benefit pays 25% of the original sum assured (up to \$50,000) and does not reduce the Living Assurance Benefit for you. You may choose to use this benefit to access specialist treatment during the early stages of cancer diagnosis, before the cancer develops.

A 3 month stand down period and a 14 day survival period applies. Exclusions apply for any pre-existing or congenital conditions.

OPTIONAL LIVING ASSURANCE BUY-BACK BENEFIT

(Available with Comprehensive Living Assurance only)

This optional benefit allows you to maintain the level of your Living Assurance Benefit by reinstating the benefit amount following a claim and without having to provide further medical information (a 12 month survival period applies and exclusions apply for any conditions that are related to the condition originally claimed for). You can select this option for either a standalone Living Assurance Benefit or for an accelerated Living Assurance Benefit on a TotalCareMax Life Cover policy.

OPTIONAL LIFE COVER BUY-BACK BENEFIT

This optional benefit allows you to reinstate your original TotalCareMax Life Cover benefit following an accelerated Living Assurance Benefit claim and without having to provide further medical information. Minimum survival periods apply and reinstatements are not permitted if the life assured is eligible for a Life Cover Terminal Illness Benefit or the Specified Terminal Conditions Benefit.

GUARANTEED ENHANCEMENT BENEFIT

All future enhancements to TotalCareMax will automatically be applied to your policy and the provision (or wording) that is most favourable to you will be applied at claim time.

Please note that enhancements apply in respect of those claims where the claim event date occurs after the date of enhancement.

OPTIONAL ADD-ON SPECIALIST AND DIAGNOSTIC TESTING BENEFIT WITH BEST DOCTORS®

Sovereign is the only insurer in New Zealand to offer its Specialist and Diagnostic Testing Benefit with Best Doctors* as an optional benefit with Living Assurance. This benefit can make a real difference to the timeliness and quality of your specialist medical advice. The Specialist and Diagnostic Testing Benefit provides coverage of up to \$5,000 per year to access specialist consultations and diagnostic imaging and tests. In addition, Best Doctors offers you the opportunity to seek a second opinion from an international network of leading medical specialist.

* Best Doctors is a trademark of Best Doctors, Inc., in the United States and other countries, and is used under licence.

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