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TOTAL PERMANENT DISABLEMENT

TotalCare**Max**

Customer Guide

HOW TOTALCAREMAX TOTAL PERMANENT DISABLEMENT COVER CAN HELP YOU

TOTAL PERMANENT DISABLEMENT CAN PROVIDE FINANCIAL PEACE OF MIND SHOULD YOU BECOME TOTALLY AND PERMANENTLY DISABLED AND UNABLE TO WORK.

With Total Permanent Disablement cover, you have the choice of personal or business cover, or both, depending on your needs.

Total Permanent Disablement is where, as a result of accident or illness, you are so incapacitated that you:

- a) Cannot do your own job or (where applicable) another job to which your skills may be suited; or
- b) Suffer loss of limbs or sight; or
- c) Cannot perform at least two of the following activities without the physical assistance of someone else:
 - > Bathing and showering.
 - > Dressing and undressing.
 - > Eating and drinking.
 - > Using a toilet.
 - > Moving from place to place by walking, in a wheelchair or with a walking aid.

Or, alternatively, you are unable to perform one of the activities noted above and your intellectual capacity has reduced or deteriorated to such an extent that you require permanent and constant supervision.*

** Please refer to the TotalCareMax Total Permanent Disablement policy wordings (Personal or Business) for the exact criteria.*

GOOD REASONS TO HAVE TOTAL PERMANENT DISABLEMENT COVER

PERSONAL

Pay your mortgage: Whatever happens, you'll have resources to contribute to your home loan or other debts, helping to safeguard your family's future.

Medical expenses: The lump-sum payment can help cover the cost of ongoing medical treatment and possible modifications to your home or work environment.

Maintaining your lifestyle: Without the ability to earn, you'll still need to pay the bills and everyday living expenses.

Best available care: Employing a full-time caregiver is often necessary, but can be expensive. A lump-sum payment can assist with the cost.

BUSINESS

Business continuity: The lump-sum can assist your business to continue operating.

Replacement cover: The short-term survival of your business may depend on recruiting a qualified replacement or retraining an existing employee.

Succession planning: If you are unable to continue in the business, this benefit may provide valuable assistance and time to plan, should you choose to trade on or wind up.

Medical expenses: The lump-sum payment could cover the cost of ongoing medical treatment and ease the strain on your business.

BUILT-IN FEATURES OF TOTALCAREMAX TOTAL PERMANENT DISABLEMENT

TOTALCAREMAX TOTAL PERMANENT DISABLEMENT CAN BE SET UP IN ONE OF TWO WAYS:

Type of cover	How it works	Why it's important
Total Permanent Disablement Accelerated	The Total Permanent Disablement sum assured is treated as an early 'accelerated' payment of any life cover the life assured has with TotalCareMax. 'Accelerated' cover means that if we pay a claim under your Total Permanent Disablement cover, then your Life Cover sum assured will reduce by the same amount. This means that 'accelerated' Total Permanent Disablement is available at a lower cost than the Standalone Total Permanent Disablement. The maximum amount payable for any 'accelerated' benefit is the total amount of the Life Cover Benefit for the life assured.	This reduces the life cover sum assured and is an affordable way to ensure you get the cover you need.
Total Permanent Disablement Standalone	The Total Permanent Disablement sum assured, when paid as a claim, does not reduce any life cover the insured has. Your Total Permanent Disablement claim is regarded as a standalone payment.	You don't need to have life cover to still get the protection Total Permanent Disablement provides. You may have life cover with Sovereign and its value can be preserved in the event of a claim.

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TOTALCAREMAX TOTAL PERMANENT DISABLEMENT HAS BUILT-IN BENEFITS:

Type of cover	How it works	Why it's important
Financial Advice Benefit	With the Financial Advice Benefit, you are able to get financial advice from a Sovereign-approved financial adviser at the time of making a claim, and Sovereign will reimburse the policy owner for fees up to \$2,500 (incl. GST). This is a oneoff payment across all Sovereign policies.	Where needed, this benefit can provide a small sum to help fund some of the costs of obtaining professional advice.
Partial Permanent Disablement Benefit	Sovereign will pay a benefit of 25% of your Total Permanent Disablement sum assured up to a maximum of \$25,000 if you suffer the permanent loss of the entire use of one limb (entire hand or entire foot) as a result of illness or accident, or if you suffer the irrecoverable loss of sight in one eye.*	Sovereign understands that the loss of a limb or sight can lead to financial hardship and changes to your lifestyle. This benefit provides a lump-sum benefit to help you cope with required changes while leaving the remainder of your cover intact.
Special Events Increase Facility	Following certain life changing events, you can apply to increase your sum assured without having to provide further medical information.	<p>Life-changing events can result in greater financial responsibilities. We want to make it easy for you to increase your Total Permanent Disablement cover when you:</p> <ul style="list-style-type: none"> > Have a child (by birth or legal adoption) > Get married or enter into a civil union > Become divorced/have a civil union dissolved > Become responsible for or pay for the full-time care of a close relative > Experience the death of a spouse or partner > Financially support a dependent child through a first course of full-time tertiary education > Take out or increase a home loan because you have purchased: <ul style="list-style-type: none"> • a new home, • a new residential investment property, • a holiday home, • a bare block of land zoned as residential. > Have a salary increase of 10% or more, provided this is at least \$20,000 per annum

CONTINUED BUILT-IN BENEFITS

Type of cover	How it works	Why it's important
Total Permanent Disablement Future Insurability Benefit	<p>Allows you to increase your sum assured with no further medical questions at every third policy anniversary.</p> <p>You will be able to increase your sum assured by 20% of the original Total Permanent Disablement sum assured (to a maximum of \$200,000) at each third policy anniversary. Benefit maximums apply – please refer to the policy wording.</p> <p>After an increase in sum assured under this facility has been made, Sovereign will not pay the increased amount if, before the increase, or within six months of the increase, the life assured: suffers any claim event for the first time, or has any symptoms or signs leading to a claim event (whether or not a Registered Medical Practitioner has been consulted) that may result in a claim for anything other than an accident under this benefit.</p>	<p>Your personal circumstances often change and this benefit allows you to increase your sum assured as your needs change.</p>
Total Permanent Disablement waiver of waiting period	<p>There is usually a three month waiting period before a Total Permanent Disablement claim is paid after an event resulting in total permanent disablement occurs. This waiting period applies to allow time to medically establish whether the disablement is in fact total and permanent. However, if your medical condition enables an assessment to be made immediately that the disablement is total and permanent, and all other requirements have been met for the payment of the Total Permanent Disablement benefit, then this waiting period may be waived.</p>	<p>You'll have one less thing to think about at claim time. The waiver of the waiting period could reduce the amount of time you have to wait for the Total Permanent Disablement benefit claim to be paid, letting you receive this benefit sooner.</p>

TOTALCAREMAX TOTAL PERMANENT DISABLEMENT HAS TWO TYPES OF COVER:

Type of cover	How it works	Why it's important
Own Occupation	<p>It is unlikely you will ever be able to work in your own specific occupation.</p>	<p>When taking out a TotalCareMax Total Permanent Disablement policy, it's important to understand the different occupation definitions and how this influences the cover provided. There is potentially an impact on whether a claim can be paid or not, and the pricing of policies do reflect this. 'Own occupation' policy is the most comprehensive and clear-cut form of cover, whilst 'any occupation', being broader, has a lower premium.</p>
Any Occupation	<p>Being so incapacitated that it is unlikely you will ever be able to return to work, which will pay remuneration greater than 25% of your pre-disability earnings, in your own or any other occupation or gainful employment for which you are reasonably suited by education, training or experience.</p>	

TOTALCAREMAX BUSINESS TOTAL PERMANENT DISABLEMENT HAS AN ADD-ON FEATURE:

Type of cover	How it works	Why it's important
Business safeguard facility ('accelerated' only)	On each occasion that your financial interests in the business or your loan guarantee or your value to the business, increases you can write to Sovereign asking us to increase the Total Permanent Disablement benefit in question, without the need to provide medical evidence.*	We make it easy for your cover to keep pace with changes in your business responsibilities.

OPTIONAL ADD-ON BENEFITS

YOU CAN CHOOSE TO EXTEND YOUR COVER WITH THE FOLLOWING OPTIONS:

- › **Specialist and Diagnostic Testing:** Gives you the freedom to select the best specialist available and helps you to avoid a wait for essential consultation. This benefit is designed to pay for your specialist consultations, such as oncologist and cardiologist consultations, as well as diagnostic procedures, such as MRI and CT scans. It covers up to \$5,000 per life assured, per policy year. It also provides access to Best Doctors®.*
- › **Waiver of Premium:** Can remove the burden of paying premiums when you are unable to work due to total disability, saving you money when you need it most. Depending on your financial situation, you can choose from a range of waiting periods before your premiums are waived.

* Please refer to the TotalCareMax Total Permanent Disablement policy wordings (Personal or Business) for the exact criteria.

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

DID YOU KNOW?

At the time of the 2013 census

24%

of New Zealanders lived with a disability; with

**ACCIDENTS
OR
INJURIES**

The most common cause of disability for adults aged

15-44 years¹

Source

¹ 2013 Disability Survey, Statistics New Zealand 2014

² The Stroke Foundation of New Zealand, 2012

³ Motor Neurone Disease Association, 2012

There are an estimate

60,000

stroke survivors in New Zealand. Many are

DISABLED

and need significant daily support.²

In New Zealand, there are approximately

300 PEOPLE

suffering from Motor Neurone Disease at any one time. Around 100 people are diagnosed with the disease and 100 people die ever year.³

PROTECT WHAT'S IMPORTANT TO YOU

WHAT HAPPENS IF YOU BECOME ILL AND YOU ARE UNABLE TO WORK?

Having the right cover will provide financial support if your household income is affected.

WHAT IS TOTAL PERMANENT DISABLEMENT?

Total Permanent Disablement can provide a lump-sum payment, and financial peace of mind, should you become totally and permanently disabled and be unable to work, through accident or illness.

WHAT DOES IT OFFER ME?

Choice of cover: Total Permanent Disablement cover is available as either personal or business protection, to suit your needs.

Lump-sum payment: This type of benefit pays a once-only lump-sum with a maximum sum assured of \$5 million.

Worldwide Cover: Provides cover anywhere in the world, 24 hours a day.

Financial Advice Benefit: Provides reimbursement of up to \$1,500 for financial advice received once a lump-sum payment has been made.

Term of cover: Renewable to age 65 or to age 70.

Eligible entry ages: 16 years (individual consideration after age 60).

Types of cover: There are two types of Total Permanent Disablement cover available, depending on your occupation: 'Any Occupation' and 'Own Occupation'.

WHY SOVEREIGN?

After taking care of New Zealanders for the past 25 years, Sovereign is turning insurance on its head by dedicating ourselves to helping you take charge of your health. From now on we'll be doing our bit to help you keep healthy, and encouraging you to do yours.

Sovereign has an A.M. Best financial strength rating of A+ (Superior)*.

As a values based company, we believe in putting people first. That means not only our customers but also our staff and the wider community.

** Given by A.M. Best Inc., an approved insurance rating agency. A copy of the scale, of which this rating forms part, is available from Sovereign.*

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