

# Rural Key Person Cover

Would your farm be able to operate during the prolonged absence of a key worker due to sickness or injury? Now you don't have to worry. Rural Key Person Cover will pay you a monthly income if an integral team member is disabled and unable to work because of illness or injury.

## ABOUT RURAL KEY PERSON COVER

Unlike most businesses, a farm cannot afford to stop operating in the event of a loss of a key worker due to sickness or injury. 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 small scale 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.

### 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.)

### Total disability benefit

If during the waiting period you have been continuously totally or partially disabled and at the end of the waiting period you are totally disabled, a total disability benefit may be payable. The total disability benefit is payable in advance from the end of the waiting period.

### Partial disability benefit

If during the waiting period you have been continuously totally or partially disabled, and after:

- the end of the waiting period or
- a period of total disability after the waiting period,

you continue to be partially disabled, a partial benefit may be calculated effective from the end of the waiting period. The partial disability benefit is payable in arrears.

If you are partially disabled, it means you can work part-time but there is a reduction in your earnings.

### 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 and retraining 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 is 50% of the approved costs up to a maximum of 50% of the monthly benefit for up to 12 months. The balance of the approved costs up to 50% of the monthly benefit, will be paid when you return to paid work for 20 hours or more.

### 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 will be paid if you die.

### 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 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:	Payment Period
Fracture of skull, jaw	30 days
Fracture of forearm, collarbone	30 days
Fracture of wrist, hand (excluding fingers)	45 days
Fracture of upper arm, shoulder bone, elbow	60 days
Fracture of vertebrae	60 days
Fracture of kneecap	60 days
Fracture of ankle, heel	60 days
Fracture of leg below the knee (tibia or fibula)	60 days
Fracture of leg above the knee (femur), pelvis	90 days
Loss of thumb and index finger of the same hand	6 months
Loss of one foot or one hand or sight in one eye	12 months
Loss of one leg or arm	18 months
Loss of any combination of two of the following: a hand, a foot, sight in one eye	24 months
Loss of both feet or both hands or sight of both eyes	24 months
Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia, Tetraplegia)	60 months

Fracture means the disruption in the continuity of bone, with or without displacement, as a result of an accident. The fracture must be shown by radiographic or scanning technique and be diagnosed by a medical practitioner within 30 days of the incident giving rise to the fracture. For full requirements please refer to the policy wording.

**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 optional benefits above require payment of an additional premium****SPECIFIED MEDICAL CONDITIONS**

Accidentally acquired HIV  
 Alzheimer's disease  
 Angioplasty-triple vessel\*  
 Aorta surgery\*  
 Aplastic anaemia  
 Benign brain tumour or benign spinal tumour  
 Cancer\*  
 Cardiomyopathy  
 Chronic kidney failure (renal failure)  
 Chronic liver failure  
 Chronic lung disease  
 Coma  
 Coronary artery bypass surgery\*  
 Creutzfeldt-Jakob disease (CJD)  
 Dementia  
 Encephalitis  
 Heart attack\*  
 Heart valve surgery\*  
 Loss of independent existence  
 Loss of limb and eye  
 Loss of limbs  
 Loss of sight in both eyes  
 Loss of speech  
 Major head trauma  
 Major organ transplant  
 Motor neurone disease  
 Multiple sclerosis  
 Muscular dystrophy  
 Out of hospital cardiac arrest\*  
 Paralysis  
 Parkinson's disease  
 Pneumonectomy  
 Primary pulmonary hypertension  
 Severe burns  
 Stroke\*  
 Systemic sclerosis  
 Total deafness in both ears

\*Three month stand-down from cover commencement date.

Please see the policy wording for full definitions, terms and conditions.



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