

LIFEPROTECT INCOME COVER

This cover wording should be read together with the **policy schedule** and the LifeProtect Policy Terms and Conditions.

Please read these documents carefully and keep them in a safe place.

Effective from 30 April 2025



YOUR COVER IN DETAIL

Words that are bold in this document are defined terms – you can find the definitions in section 7 of this cover wording, or in section 11 of the LifeProtect Policy Terms and Conditions.

1. Introduction

This Income Cover provides **you** with a **monthly benefit** while the **insured person** is **totally disabled** or **partially disabled**.

The **policy schedule** names the **insured person** this Income Cover applies to.

2. Benefits

2.1 Total Disability Benefit.

If the **insured person**:

- has been **totally disabled** or **partially disabled** for the **waiting period**, and
- is **totally disabled** at the end of the **waiting period**,

we will pay **you** the Total Disability Benefit monthly in advance from the end of the **waiting period** until the earliest of:

- **they** are no longer **totally disabled**, or
- the **benefit period** ends, or
- the cover ends (see section 6).

Any payment for a period of less than one month is calculated on a pro-rata basis.

2.1.1 How much do we pay?

We will pay the lesser of:

- the **monthly benefit**, or
- 75% of the **insured person's pre-disability income**, less any **other income** and **monthly earned income**.

The amount **you** receive from **us**, plus **other income** and **monthly earned income** (if any), will not exceed 75% of the **insured person's pre-disability income**.

2.2 Partial Disability Benefit.

If the **insured person**:

- has been **totally disabled** or **partially disabled** for the **waiting period**, and

- is **partially disabled** either:
 - at the end of the **waiting period**, or
 - following a period of **total disability**,

we will pay **you** the Partial Disability Benefit monthly in arrears until the earliest of:

- **they** are no longer **partially disabled**, or
- the **benefit period** ends, or
- the cover ends (see section 6).

Any payment for a period of less than one month is calculated on a pro-rata basis.

2.2.1 How much do we pay?

We will pay the lesser of:

- the **monthly benefit**, or
- 75% of the **insured person's pre-disability income**, less any **other income** and **monthly earned income**.

The amount **you** receive from **us**, plus **other income** and **monthly earned income** (if any), will not exceed 75% of the **insured person's pre-disability income**.

Capacity to work.

When the **insured person** is **partially disabled** and has the capacity to work more hours than **they** are or could be working, **we** will calculate **their** benefit based on what **they** could reasonably be expected to earn. In this situation, **we** will pay the lesser of:

- the **monthly benefit**, or
- 75% of the **insured person's pre-disability income**, less any **other income** and expected **monthly earned income**

where 'expected **monthly earned income**' is the **monthly earned income they** could reasonably be expected to earn if **they** were working at capacity, taking into account:

- available medical evidence (including the opinion of **their** treating **medical practitioner**), and
- any other relevant considerations directly related to **their** medical condition (including an independent assessment arranged by **us**).

The basis of calculation is set out under the definition of **monthly earned income**.

2.3 Family Member Support Benefit.

We will pay **you** this benefit when all the following apply to an **insured person**:

- they** are **totally disabled** and confined to bed, and
- a **medical practitioner** certifies that **they** require full-time care, and
- the income of one **immediate family member** stops as a result of that person providing **them** care.

We will pay an additional amount for a maximum of three months of the least of:

- one half of the **monthly benefit**, or
- \$3,000 per month, or
- the income foregone by the **immediate family member**.

The benefit is payable once only over the duration of the Policy for the **insured person** and any amounts payable under the Hospitalisation/Nursing Care Benefit will be deducted when calculating this benefit amount.

2.4 Hospitalisation/Nursing Care Benefit.

We will pay **you** the **monthly benefit** on a pro-rata basis for each full day an **insured person** is **totally disabled** in the **waiting period** and:

- is under the care of a registered nurse (on the advice of a **medical practitioner**) visiting at least once a day, and
- is admitted to a registered hospital or confined to bed at home, and
- has received that nursing care for at least 72 hours.

We will pay this benefit for the lesser of:

- the **waiting period**, or
- 90 days.

Subsequent claims under this benefit during the same **waiting period** don't require condition c. of this benefit to be satisfied again.

2.5 Rehabilitation And Retraining Benefit.

Where the **insured person** is **totally disabled** for longer than the **waiting period**, we may work with **them** to put a rehabilitation plan in place to help **them** return to paid work.

If the rehabilitation plan we agree to requires **them** to participate in a rehabilitation, retraining or re-education programme to assist **them** to return to paid work for

a minimum of 20 hours per week, then we will reimburse the costs approved by us provided **they** aren't reimbursed, or able to be reimbursed, from any other source.

The reimbursement will be 50% of the approved costs incurred each month, up to a maximum of 50% of the **monthly benefit**, upon proof that **they** continue to fully participate in the programme. The remaining 50% of costs, up to a maximum of 50% of the **monthly benefit** for each month of the programme, will be reimbursed as a lump sum once **they** have returned to paid work for a minimum of 20 hours per week.

The maximum amount we will pay under this benefit in relation to a Total Disability Benefit claim is equal to 12 times the **monthly benefit**. If **they** experience a recurrence of the sickness or injury that led to a previous Total Disability Benefit claim under the Recurring Claim Benefit in section 2.8 or Benefit Period Reset under section 2.9, we will only reimburse expenses up to the remainder of the maximum period not previously paid. If **they** experience a new disablement, we may consider reimbursement of further rehabilitation and re-training costs.

2.6 Recovery Support Benefit.

We will pay the costs, up to a maximum of six times the **monthly benefit**, of purchasing specialist equipment or completing home alterations which are reasonably necessary based on an external specialist assessment.

The costs under this Recovery Support Benefit include (but aren't limited to) wheelchairs, artificial limbs, prosthetic devices, travel, and house and car modifications.

The Recovery Support Benefit will be reduced by any costs reimbursed from any other source. The Recovery Support Benefit is paid in addition to the Total Disability Benefit or Partial Disability Benefit.

We will pay this benefit once only for the **insured person** over the duration of this Policy.

2.7 Relocation Benefit.

If the **insured person**:

- has been residing outside New Zealand for more than three consecutive months, and
- is **totally disabled** while outside New Zealand, and
- a **medical practitioner** advises **they** are likely to remain **totally disabled** for at least three months,

we will reimburse **you** the lesser of:

- \$10,000, or

- the actual cost of a single standard economy airfare from **their** location to New Zealand for **them** and one support person (where **medically necessary**) by the most direct route available plus any additional transport costs to an approved medical facility in New Zealand, less any amounts reimbursable from other sources.

We will pay this Relocation Benefit once only for the **insured person** regardless of other covers which may include a Relocation Benefit. This benefit is paid in addition to the Total Disability Benefit or Partial Disability Benefit. **You** will need to provide **us** with the original invoice and receipt for payment before **we** pay a claim.

We will pay this benefit once only for the **insured person** over the duration of this Policy.

2.8 Recurring Claim Benefit.

We will waive the **waiting period** on a recurrent claim if:

- a. the **insured person** was no longer **totally disabled** or **partially disabled**, and
- b. during the first 12 months after the claim ends, **they** become **totally disabled** or **partially disabled** again because of a recurrence of the same or related injury or sickness.

We will treat the recurrent claim as a continuation of the previous claim and these payments together with the payments made under the previous claim will be added together when applying the **benefit period**.

We will pay the Total Disability Benefit or Partial Disability Benefit from the date of the recurrence of the **total disability** or **partial disability** under the terms of sections 2.1 or 2.2.

2.9 Benefit Period Reset.

The **waiting period** and a new **benefit period** will apply where the **insured person**:

- a. was no longer **totally disabled** or **partially disabled**, and
- b. has returned to full-time paid work performing all the important income producing duties without limitation for at least:
 - 12 continuous months, where the full **benefit period** hasn't been used at the date of that recurrence, or
 - six continuous months where the full **benefit period** has been used at the date of that recurrence, and
- c. isn't eligible for the Recurring Claim Benefit, and

- d. becomes **totally disabled** or **partially disabled** because of a recurrence of the same or related injury or sickness for which **we** have previously paid a **total disability** or **partial disability** claim under this Income Cover.

2.10 Waiver of Waiting Period.

We won't apply the **waiting period** on a new claim for the **insured person** resulting from a sickness or injury unrelated to a previous claim provided that:

- a **waiting period** applied to the previous claim, and
- the new claim occurs within 12 months of **their** return to work from the previous unrelated claim, and
- the new claim is for a continuous period of 30 days or more.

We will pay the Total Disability Benefit or Partial Disability Benefit from the date of that **total disability** or **partial disability** under the terms of sections 2.1 or 2.2.

2.11 Future Insurability.

You can increase the **monthly benefit** by up to 10% if the **insured person's** income increases before **their** 55th birthday, without providing additional health information subject to the conditions below.

- a. **We** will require confirmation **they** are in **full-time employment** and that **their** income is expected to continue at or above the current level. **We** may also require additional financial evidence **we** consider reasonably necessary.
- b. When the increase means the **monthly benefit** will exceed \$12,000 **you** will need to provide additional health information in respect of **them**.
- c. **You** must exercise this option in writing within the later of either:
 - 90 days of the increase in income, or
 - 30 days after the following **policy anniversary**.
- d. An increase under Future Insurability isn't available if:
 - The **insured person** has either had a claim paid or is entitled to be paid a claim under any policy with **us** or any other insurance company.
 - The **premiums** aren't paid up to date or are being waived for any reason.
 - The portion of cover is itself a result of a Future Insurability increase.
- e. Any special terms and loadings that applied to the **monthly benefit** at the **start date** will also apply to the increase on that cover.

- f. **Your premiums** will increase in line with the increased **monthly benefit**. **We** will calculate the **premium** for the increase using the **insured person's** age, occupation, and premium rates at the **start date** of the increase. The increased **monthly benefit** applies from the date **we** confirm the new **monthly benefit** to **you**, subject to payment of the additional **premium**.
- g. The total of all increases under this Future Insurability option can't exceed the **monthly benefit** of the Income Cover at the **start date**.
- h. The total **monthly benefit** when added to all other income protection type cover monthly benefits with any insurer after an increase cannot exceed the lesser of \$30,000 per month or 75% of the **insured person's pre-disability income**.

2.12 Leave Without Pay Benefit.

You can apply to **us** in writing to ask **us** to suspend this Income Cover and its **premiums** for the **insured person** for up to 12 consecutive months. The Leave Without Pay Benefit is only available for the following reasons: compassionate leave, parental leave, sabbatical leave, study leave at a registered educational centre or involuntary unemployment. The period of leave must be for reasons other than disability.

You must advise **us** how long **you** want the cover and the **premiums** suspended for. This Income Cover will be reinstated on the date agreed prior to the suspension commencing. **We** will confirm the date when the cover and **premium** payments will recommence. If **you** have suspended this cover for less than 12 months **you** may apply to extend the suspension period for up to a total of 12 consecutive months. **You** are unable to recommence the cover prior to the agreed reinstatement date.

The **premium** payable for the reinstated cover will be based on **our** premium rates at the time of the reinstatement.

You can't make a claim on this cover while the Income Cover is suspended. There is no cover for any event that would have been covered if this Income Cover wasn't suspended, for any sickness or injury:

- which first existed, or
- its direct cause first existed, or
- where the **insured person** first had knowledge, signs or symptoms of, whether or not medical treatment was sought, or
- where any test or investigation first showed its likely presence,

while the Income Cover was suspended.

Reinstated cover will only recommence once **premium** payments have restarted, and the **insured person** has:

- returned to **their** usual occupation, and
- worked for at least 25 hours per week for at least one month after returning to work, and
- been continuously employed since returning to work, and
- returned to work within 12 months of the period of Leave Without Pay Benefit starting.

You can reinstate this Income Cover without providing health information of the **insured person**.

To take up the Leave Without Pay Benefit the following conditions must be met:

Conditions.

- a. This cover must have been in place for at least 12 consecutive months.
- b. **We** will acknowledge the request and suspend this cover confirming that the Leave Without Pay Benefit request has been accepted if a valid reason is given. **We** may require evidence of the reason for the suspension.
- c. Involuntary unemployment: mustn't have occurred within six months of **their** Income Cover **start date** or the date of reinstatement and **they** must be registered with an accredited employment agency. Involuntary unemployment does not include bankruptcy.
- d. From the date this cover is reinstated, premiums are payable on the same terms that applied before the Leave Without Pay Benefit was exercised. **We** will base the premium on the current age of the **insured person** at the date of reinstatement and the premium rates that apply at that time.
- e. **They** must've had a continuous period of at least 12 months employment since the previous period of leave before **you** can use any remaining Leave Without Pay Benefit period.
- f. The maximum total suspension period under the Leave Without Pay Benefit is 12 months over the entire duration of this cover.

2.13 CPI Increases.

If **CPI** Increases are included in this cover, the **policy schedule** will state it.

How **we** apply **CPI** Increases is set out in section 7.1 of the LifeProtect Policy Terms and Conditions.

The last increase under **CPI** Increases for the **insured person** under Income Cover will be applied on the earliest of:

- the **policy anniversary** after **their** 60th birthday, or
- the total sum insured for all income protection type

covers for the **insured person** with **us** and any other insurer, reaching the lesser of \$30,000 per month or 75% of the **insured person's pre-disability income**. **You** must notify **us** if the total income protection type covers on the **insured person** will exceed this amount.

2.14 Inflation Protection While on Claim.

If **you** are receiving a Total Disability Benefit or Partial Disability Benefit **we** will increase the **monthly benefit** and **pre-disability income** on the **policy anniversary** date, by a rate calculated in accordance with section 7.2 of the LifeProtect Policy Terms and Conditions.

Inflation Protection While on Claim ends on the **policy anniversary** after the 60th birthday of the **insured person**.

2.15 Waiver of Premium Benefit.

Premiums for this Income Cover, and the policy fee, will be waived, while **you** are receiving a Total Disability Benefit or Partial Disability Benefit. The maximum duration the **premiums** will be waived is 24 months.

Claims where a new waiting period is required will restart this Waiver of Premium Benefit and **premiums** may be waived up to the maximum duration. Where a claim is paid under a Recurring Claim Benefit or Waiver of Waiting Period this is considered as a continuation of the claim and the Waiver of Premium Benefit will continue until it reaches its maximum duration.

If the **premium** is payable other than monthly then, for the purposes of the Waiver of Premium Benefit, the **premium** will be recalculated as though it was payable monthly on the first day of each month.

3. Claims

3.1 Notice.

You or the **insured person** must notify **us** immediately or as soon as practically possible if **you** or **they** become aware of any claim or potential claim under this Income Cover.

We will advise **you** or **them** the requirements **we** need to assess **your** claim.

If **we** receive notification of a claim more than 60 days after the date **they** were **totally disabled** or **partially disabled**, **we** reserve the right to start the **waiting period** from the date of notification.

We won't pay any benefit unless **they** substantiate **their pre-disability income** at claim time.

3.2 Obligations.

You and the **insured person** must throughout the duration of the claim:

- Complete **our** claim form(s) in full and send it/them to **us** as soon as reasonably possible.
- Supply **us** with all relevant medical evidence **we** reasonably require in connection with the claim.
- Authorise the disclosure to **us** of the **insured person's** or **your** personal information in connection with the claim held by any other party.
- Authorise the disclosure of the **insured person's** or **your** personal information held by **us** to another party to evaluate the claim.
- Provide **us** with any other relevant information **we** reasonably require. This may include but isn't limited to financial, medical and occupational evidence. **You** must pay any expenses incurred in providing this information to prove **your** claim.
- **You** and the **insured person** must allow **us** to do a financial review of the claim annually or at a greater frequency reasonably determined by **us**. **We** will do this by:
 - Requesting all relevant financial information for the review period from **you** and the **insured person**.
 - Reviewing all **monthly earned income** or **other income** received while on claim for the period **we** are reviewing.
 - Recalculating the Total Disability Benefit or Partial Disability Benefit (as applicable) to ensure benefit payment has been correctly calculated.

You acknowledge that, in the event of any overpayment by **us**, **you** must repay to **us** the overpaid amount. In the event of any underpayment by **us**, **we** must pay **you** the underpaid amount.

The **insured person** must throughout the duration of the claim:

- Obtain medical treatment as soon as reasonably possible from a **medical practitioner** and follow their advice including medical treatment, surgical treatment and rehabilitation plans.
- Undergo one or more medical examinations and attend any **specialist medical practitioner** or other appointments arranged by **us** at **our** expense if **we** reasonably request them for the purposes of assessing and managing **your** claim. This may include blood tests and medical testing.
- Co-operate with **us** in development and implementation of any rehabilitation plan.

If **you** or **they** don't meet any of the above when reasonably requested by **us**, **we** have the right to either decline or stop the claim. **We** will give **you** notice in writing of **our** intention to stop the claim and set out **our** requirements to restart payment. Payments will not be made for any time the claim was stopped and will only recommence from the date **we** receive all the outstanding requirements.

3.3 Payments.

Benefits are paid monthly in arrears unless otherwise specified. Any payment for a period of less than one month is calculated on a pro-rata basis.

4. Exclusions

You can't claim under this cover for sickness or injury of the **insured person** in connection with:

- a. The normal effects of pregnancy or childbirth.
- b. Self-inflicted act or injury.
- c. Any specific event or cause agreed between **you** and **us** and endorsed on this Policy or the **policy schedule**.

5. Limitations

5.1 Concurrent disability.

You can only claim for one **total disability** or **partial disability** under this Income Cover at any one time.

5.2 Unemployment.

If the **insured person** has been unemployed, or on unpaid leave from **their** employer, for more than 12 months immediately before a period of **total disability**, then **we** will consider the **occupation class** to be **occupation class 5** and will assess the claim on that basis.

5.3 Taxation.

We recommend **you** seek your own expert tax advice on the tax status of the **premiums** and benefits associated with this Income Cover.

6. When this cover ends

This Income Cover ends for the **insured person** on the earliest of the date:

- a. **you** cancel the Income Cover, or
- b. this Policy ends for any reason, or
- c. of the **policy anniversary** after **their** 65th birthday, or
- d. **they** die.

7. General definitions

The definitions shown below apply to all derivatives of the words defined. Where defined words are not shown below, they may be found in the LifeProtect Policy Terms and Conditions.

Benefit period.

The benefit period shown in the **policy schedule**.

Full-time employment.

Means employment by a single employer on a permanent basis (including self-employment) for at least 25 hours per week.

Immediate family member.

Spouse, partner, son or daughter, parent/legal guardian, sibling.

Medically necessary.

Health care services that a **medical practitioner** or **specialist medical practitioner**, exercising prudent clinical judgement, would provide to the **insured person** for the purpose of evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are:

- appropriate for the symptoms and diagnosis or treatment of a condition, illness or injury,
- not primarily for the convenience of **them**,
- the most appropriate level or type of service or supply that can be safely provided to **them**, and
- being provided in the context of the condition covered and not because of treatment for another condition not covered or excluded under the cover.

Monthly benefit.

The amount shown for the **insured person** as the monthly benefit on the **policy schedule**.

Monthly earned income.

Income earned (or could reasonably be expected to be earned if the **insured person** was working to **their** capacity) per month from:

- the **insured person's** share of income (before tax) from any business, derived from **their** personal exertions, after deduction of **their** share of business expenses, and

- any other sources of income (before tax) including salary, wages, fees, commission, bonuses and fringe benefits.

This doesn't include income from deferred compensation plans, disability income policies, retirement plans or any other income not derived from **their** personal exertions.

Under Capacity to Work (section 2.2.1), 'expected monthly earned income' will be calculated based on: (Capacity hours/pre-disability hours (based on the average number of hours per week the **insured person** worked in the three months immediately prior to **total disability** or **partial disability**, capped at 40 hours per week)) x **pre-disability income**.

Occupation class.

The occupation class shown in the **policy schedule** unless stated otherwise in this Policy.

Other income.

- Income **you** or the **insured person** receives or is entitled to receive in relation to a period of **total disability** or **partial disability** of the **insured person** from any other insurance policy covering the same risk, and
- Income the **insured person** receives or is entitled to receive in relation to a period of **total disability** or **partial disability** of the **insured person** from any government funded source (such as ACC payments or any benefit) or a statutory source. Payments received under New Zealand Superannuation are not included in other income.

It doesn't include a lump sum payment (unless it is a commutation of a periodic benefit), interest, dividends from investments, rent or other similar payments.

Own occupation.

The field of work in which the **insured person** has trained and was engaged immediately before becoming **totally disabled**.

Partially disabled/partial disability.

The **insured person** is partially disabled, if as a direct result of sickness or injury **they** are:

- under the regular and personal care of a **medical practitioner** who's provided **them** with written confirmation of the need to reduce **their** hours, and
- is working (or could work) but is:
 - a. unable to earn (or incapable of earning) more than 75% of **their pre-disability income**, or
 - b. unable to work (or incapable of working) more than 75% of the average hours **they** worked before the partial disability.

Pre-disability income.

The **insured person's** average **monthly earned income** for any 12 consecutive months in the three years immediately before the **total disability** or **partial disability** started. **We** won't include any period during which **they** have received a Total Disability Benefit or Partial Disability Benefit in the three year period and will extend the three year period by that period.

While **they** are **totally disabled** or **partially disabled**, pre-disability income will be increased on the **policy anniversary** by a rate **we** determine based on the percentage increase of the **consumer price index**.

Totally disabled/total disability.

For **occupation classes** 1, 2, 3 and 4:

The **insured person** is totally disabled, if as a direct result of sickness or injury, **they** are:

- under the regular and personal care of a **medical practitioner**, and
- unable to:
 - a. perform at least one important income producing duty, or
 - b. engage in **their own occupation** for more than 10 hours per week, and
- not engaging in any occupation other than up to 10 hours per week in **their own occupation**.

For **occupation class** 5, the **insured person** is:

- either:
 - a. disabled to such an extent that necessitates confinement to the home under medical supervision or to a recognised medical institution and necessitates receiving regular medical care, or
 - b. as a result of sickness or injury, **they** are unable to perform at least two of the **activities of daily living** without the assistance of an adult, and
- not working in any gainful occupation.

Waiting period.

The period shown in the **policy schedule** that must've passed before a benefit can be paid under this Policy unless stated otherwise. The waiting period starts from the date the **insured person** receives written notification from an appropriate **medical practitioner** confirming **they** are unable to work due to **total disability** or need to reduce hours of work due to **partial disability**.

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Westpac will receive commission payments as a result of the arrangement of Fidelity Life policies.

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