

# Income Protection Cover

In the unfortunate event you are disabled or if you suffer an extended illness, it's reassuring to know that Fidelity Life has got you covered. At what can be a stressful time, you can receive up to 75% of your pre-disability income to assist with paying your mortgage or rent, and have money for general day-to-day living expenses. What's more, we offer benefits to assist you in getting back to work.

## KEY FACTS

### Ages

- Entry age is from age 16 to 59 (Age 55 for 'to age 70' benefit.)
- Cover ends at age 65, unless the benefit period is to age 70.

### Level of cover

- The maximum monthly benefit is \$30,000, subject to financial and medical assessment.

### Two types of premiums available

- 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.

## TWO VARIATIONS OF COVER

### Indemnity Value

Up to 75% of your gross annual income can be insured if you select this benefit.

- If you are disabled we will pay the monthly benefit less other income until the period of disablement ends, the benefit period expires, you reach age 65 (unless the benefit period is to age 70), or you die. We do not pay a monthly benefit during the waiting period.
- For the first six months (less the waiting period) of any claim, the benefit will be based on the specified monthly benefit less other income.
- The monthly benefit applied for must be substantiated at either application time or claim time.
- After six months, the amount of the benefit will be the lesser of the specified monthly benefit or 75% of your pre-disability earnings less other income at the time of the claim.

### Agreed Value

Your monthly benefit at the time of application is calculated on your gross income. If you are self-employed your gross income is averaged over the last three years.

Gross annual income	Percentage of gross income which can be covered
\$70,000 or less	62.5%
Next \$ 30,000	60%
Next \$220,000	55%
Next \$120,000	35%
Any further gross income	20%

- We will pay the monthly benefit less other income until the period of disablement ends, the benefit period expires, when you reach age 65 (unless the benefit period is to age 70), or you die.
- We do not pay a monthly benefit during the wait period.
- Proof of income must be provided at application time.

## STANDARD FEATURES

### Benefit payment period

The available benefit periods are: 2 years, 5 years, to age 65 or to age 70.

### Waiting period

You can select the period for which you are prepared to self-insure. We offer seven waiting periods: 2 weeks, 4 weeks, 8 weeks, 13 weeks, 26 weeks, 52 weeks or 104 weeks.

### 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.

### Family member support benefit

If you are confined to bed, and require full-time-care, this benefit provides financial support for an immediate family member who provides care and whose own income ceases as a result.

### Hospitalisation/nursing care benefit

This provides additional financial support for bed care during the waiting period for up to 90 days.

### 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 benefit is 50% of the approved cost up to 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.

### 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 is waived in certain circumstances. Unemployment – Benefits can still be paid even though you are unemployed, though the definition of disability changes.

### Relocation benefit

This may cover the cost of economy airfare back to New Zealand if disabled whilst overseas (maximum \$5,000).

### Future Insurability

This may allow you to increase the monthly benefit by up to 10% without further medical evidence.

### Replacement benefit

If you are self-employed at claim time you may be able to choose to employ a replacement and claim the cost of that person rather than receive the disability or partial disability benefit.

### Leave Without Pay

This may allow you to cancel this cover with a right to reinstate without evidence of health if you take a period of leave without pay or become involuntarily unemployed for reasons other than disability. Limits and conditions apply.

## OPTIONAL BENEFITS

### Extra benefits option

The following benefits are included in this option:

#### Death benefit

A lump sum of three times the monthly benefit is payable if you die.

#### Total and Permanent Disability benefit

Provides a benefit of 24 times the monthly benefit where the insured person has been paid a monthly benefit for 12 consecutive months and where the insured person is totally and permanently disabled.

#### Specific injury benefit (see table)

A benefit for listed specific injuries, payable whether you are working or not, with no offsets.

#### Specified medical condition benefit

If you suffer one of the specified medical conditions we will pay you the monthly benefit for a minimum period of six months, whether you are working or not.

Specified medical conditions are angioplasty-triple vessel\*, aorta surgery\*, cancer\*, chronic kidney failure (renal failure), coronary artery bypass surgery\*, heart attack\*, heart valve surgery\*, major organ transplant, multiple sclerosis, paralysis, severe burns, stroke\*.

Cover for conditions marked\* does not start until three months after the cover commencement date.

### Claims escalation option

While on claim, your benefit will be linked to the Consumer Price Index (CPI) and adjusted every quarter.

### Extended benefit option

This option allows your benefits to continue if you have been disabled for at least three months immediately before your 65th birthday and you are unable to perform two or more activities of daily living.

### Booster benefit option

This option increases your disability benefit by one third during the first three months of your claim. Where a partial disability benefit is paid after the waiting period ends, an additional 25% of that amount will be paid for up to a maximum of 12 months.

### Retirement Protection Cover

This provides for continued payment of the insured person's KiwiSaver employee contributions to their KiwiSaver scheme via the IRD (limited to a maximum of 8%).

### 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. This option requires payment of an additional premium.

### Continuation option

This option only applies if your premiums are level. It 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. Conditions apply.

### All of the optional benefits above require payment of an additional premium

### Inflation Protection

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

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.

### Mental and back disorder limitation

If you limit the benefit period for a mental disorder or back claim to two years, you will qualify for a premium reduction of up to 20%.

## 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 techniques 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.



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