

# Total and Permanent Disability Cover

If you're the main income earner in your household, have you thought about what would happen to your family in the event that you were unable to ever work again due to being totally and permanently disabled? It's worth considering taking out cover with Fidelity Life's Total and Permanent Disability Cover which pays out a lump sum if a total and permanent disability prevents you from returning to work.

## ABOUT TOTAL AND PERMANENT DISABILITY COVER

While for most people the early death of an income earner would cause serious financial strain for those left behind, the financial impact would be just as serious if that income earner became totally and permanently disabled and unable to work for the rest of their life. In some cases the hardship experienced would be even more profound as ongoing daily living and medical costs for the disabled person could be significant.

Total and Permanent Disability Cover ensures you will receive a cash lump sum if you become totally and permanently disabled – and therefore unable to work – through injury or illness.

## KEY FACTS

- Cover extends past retirement age.
- Cover can include people not in paid employment, such as homemakers and students.
- The policy comes with some important benefits at no extra cost. You can also add one or more optional benefits for which you will pay an additional premium.

### Ages

- Entry age is from age 16 to 64.
- Cover expires at age 100.

### Level of cover

- You can insure up to a maximum of \$5 million, subject to financial and medical underwriting.
- You can 'inflation proof' your cover by increasing it each year in line with the CPI.

### 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.

## STANDARD FEATURES

Your cover can either be held on its own or added to your life insurance policy.

If added to a life policy, you can select either an 'accelerated benefit' or a 'standalone benefit'.

The lump sum will be paid if you are so disabled through injury or illness that you are unlikely ever to be able to perform the duties of your own or any other occupation.

An 'own occupation' definition is available for certain professional groups.

A Partial Benefit of up to \$75,000 may be payable on the loss of use of a limb or sight in one eye.

### Accelerated or standalone benefits

If you select the accelerated benefit, and a claim is paid, the amount of the claim will be deducted from the life cover on your policy.

If you select the standalone benefit, the payment of a claim will not reduce the life cover under the policy.

### Total and Permanent Disability Early Payment benefit

Where your total and permanent disability is due to one of the eleven specific medical conditions listed, the three month wait period does not apply.

### Occupation includes unpaid home duties

This policy can include unpaid home duties as an occupation and therefore a house-person can also be covered. The policy requires that, as a result of your disability, you are confined to your principal place of residence.

### Exclusions

You are not covered if the total and permanent disability occurs as a result of an intentionally self-inflicted act or injury.

### Financial planning benefit

If a benefit greater than \$100,000 is paid, a further benefit of up to \$2,500 may also be payable to reimburse the cost of a financial plan prepared by an Authorised Financial Adviser.

### Special Events

You can increase your Total and Permanent Disability Cover without further medical evidence on the occurrence of certain events. These events include getting married, civil union, having children or taking out a mortgage, where your income increases by a certain amount, the death of a spouse, partner or child or stopping work to take full time physical care of a dependent relative or when you reach ages 25, 30, 35, 40 or 45, or increasing your shareholding in a business, depending on the type of cover. Refer to your policy document for details. Limits apply.

### Premium holiday option

You may opt to suspend cover and premiums in the event of redundancy, bankruptcy, tertiary studies or overseas travel. Cover can be reinstated without evidence of health within one year from the start of this option. The maximum sum assured under this option is \$500,000. The Premium holiday option may be exercised once in the lifetime of the policy. Not available with Level Term.

## OPTIONAL BENEFITS

### Waiver of Premium Cover

While the insured person with the Waiver of Premium Cover is totally disabled, the premiums due on the policy after the waiting period ends will be waived and premiums paid during the waiting period will be refunded.

### Buy-back option

Following the payment of a Total and Permanent Disability Cover – Accelerated benefit, you have the opportunity at 12 months from the date of that claim payment, without having to provide any health evidence, to buy back the reduction in the Life Assurance as a result of the Total and Permanent Disability Cover – Accelerated claim payment. You will pay the premiums appropriate to the level of cover at that time. This option is only available on the Total and Permanent Disability Cover – Accelerated.

### Business future insurability option

Circumstances such as an increase in the value of your business can mean you need more cover. The future insurability option allows you to increase your cover without evidence of health. Financial evidence will be required. Not available with Level Term or Mortgage Protector.

### Continuation option

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. Applies to Level Term only.

### 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 policy cover increase each year by the greater of 2% or the Consumer Price Index, 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.

## WHY CHOOSE FIDELITY LIFE



\*Fidelity Life has an A- (Excellent) financial strength rating from A.M. Best. The rating scale that this forms part of is available for inspection at our offices. For more information please visit [fidelitylife.co.nz/about-fidelity-life/our-financial-strength](http://fidelitylife.co.nz/about-fidelity-life/our-financial-strength).

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