



Rural

For advisers only.

## Rural key person cover overview.

### Contents.



Click on the section to view.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

**Rural key person cover** is designed to help in the event of a loss of a rural key worker such as a sharemilker due to sickness or injury. It provides an agreed amount to replace monthly income while the insured person is unable to work due to sickness or injury. The monthly benefit can be up to 35% of gross farm turnover.

### Key features.

- The cover can be taken out by individuals aged 16-59.
- Coverage ends at age 65 or 3 months after the insured person stops farming.
- The benefit period can be for 2 years, 5 years, or to age 65.
- The maximum cover is up to 35% of gross farm turnover, with a maximum of \$10,000 per month.
- This cover can be combined with Key person cover or Key person cover for farmers.
- Payments start after a waiting period chosen by the policy owner(s). The wait periods available are 2, 4, 8, 13, 26, 52, and 104 weeks.
- Premiums can be set for a fixed period (level premium) or premiums that increase each year (age-rated).
- Premium payment options include fortnightly, monthly, quarterly, half-yearly, or yearly.

# 1. Built-in benefits.

## Total disability benefit.

If the insured person meets the total disability benefit criteria, Fidelity Life will pay the monthly benefit less other income, in advance, until either the insured person is no longer totally disabled, the benefit period ends, or the cover ends.

## Partial disability benefit.

If the insured person meets the partial disability benefit criteria, Fidelity Life will pay the Partial disability benefit, in arrears, until either the insured person is no longer partially disabled, the benefit period ends, or the cover ends. Payment is 50% x (monthly benefit less other income).

## Family member's accommodation benefit.

If an immediate family member needs to stay near the insured person who is totally disabled and confined for treatment more than 50 kilometres from their usual residence, the policy reimburses accommodation costs up to \$100 per night for a maximum of three months.

## Hospitalisation/nursing care benefit.

If an insured person is totally disabled and under the care of a registered nurse (on advice of a medical practitioner). The insured person needs to have received the care for at least 72 hours, be in bed (or near a bed) for a substantial part of each day, with a daily visit by a nurse. The benefit is paid for the lesser of the waiting period or 90 days.

## Rehabilitation and retraining benefit.

If the insured person is totally disabled for longer than the waiting period, the policy owner(s) may be reimbursed for costs for rehabilitation, retraining, or re-education programmes to get the insured person back into paid work for a minimum of 20 hours per week. The maximum amount paid is 50% of the approved costs, up to 50% of the monthly benefit. Any remaining costs will be reimbursed once the insured person has returned to a minimum of 20 hours a week of paid work. The maximum amount Fidelity Life will pay for each sickness or injury is equal to 12 times the monthly benefit.

## Recovery support benefit.

Covers the costs for the purchasing of specialist equipment, such as wheelchairs, or home/vehicle modifications to support the recovery and rehabilitation of the insured person, which are reasonably necessary based on an external specialist assessment. Maximum payment will be

up to six times the monthly benefit. The Recovery support benefit will be reduced by any costs reimbursed from any other source.

## Relocation benefit.

Reimbursement of economy travel costs (up to \$5,000) if the insured person is totally disabled while outside New Zealand and is likely to remain totally disabled for at least three months.

## Recurring claim benefit.

Waives the waiting period on a recurrent claim if the insured person becomes disabled again due to a recurrence of the same or related injury or sickness within 12 months after the claim ended.

## Benefit period reset.

Applies a new waiting period and benefit period if the insured person returns to full-time farming work and becomes disabled again due to the same or related injury or sickness and is not eligible for the Recurring claim benefit.

## Waiver of waiting period.

Waives the waiting period on a new claim for an unrelated sickness or injury within 12 months of returning to work. The new claim must be for a continuous period of 30 days or more.

## Replacement cover.

Fidelity Life will issue replacement cover (Income protection type cover) without requiring health evidence if the insured person starts other full-time work within three months of stopping farming.

## Death benefit.

Fidelity Life will pay an amount equal to three times the monthly benefit if the insured person dies while the cover is in place.

## Specified medical condition benefit.

If the insured person suffers from one of the 38 defined specified medical conditions such as cancer, heart attack, or stroke, a monthly payment will be paid for six months (see the cover wording for a full list of medical conditions).

Some exclusions and limitations may apply to the benefits (please refer to the cover wording).

## 2. Additional options.

All additional options may incur an additional premium.

### CPI option (Platinum Plus only).

The CPI option will be applied on each policy anniversary by the greater of 2%, or an amount determined by Fidelity Life based on the CPI. If a Total disability benefit or Partial disability benefit is being paid, the claims payments won't be increased by CPI unless the Claims escalation option is included in this cover. The last increase will be applied on the policy anniversary before the insured person's 65th birthday.

### Indexation option (Platinum Plus Level Term only).

Fidelity Life will automatically increase the monthly benefit by 2% at each policy anniversary. The level premium does not change as a result of the monthly benefit increasing. The last increase will be applied on the policy anniversary before the life insured's 65th birthday.

### Claims escalation option.

Increases the monthly benefit if the claim is paid continuously for more than three months. The rate will be applied quarterly as determined by Fidelity Life, based on the percentage increase in the CPI.

### Booster benefit option.

- **Total disability:** Fidelity Life will increase the monthly benefit by 25% during the nominated peak season for the insured person if a total disability benefit is being paid. See the cover wording for details on nominating the peak season.
- **Partial disability:** Fidelity Life will increase the monthly benefit by 25% for the insured person if a partial disability benefit is being paid. See the cover wording for details on how long the additional payment will be paid for.
- **Specific injury:** If the insured person suffers from one of the 15 specific injuries such as the fracture of the forearm or collarbone, Fidelity Life will pay the monthly benefit for the lesser of the payment period for the specific injury or the benefit period, whether or not they are working. The Specific injury booster is not subject to offsets. For the full list of injuries and any limitations and exclusions, refer to the cover wording.

### Mental and back disorder limitation.

Limits benefit payments for mental and back disorders to a maximum period of 24 months regardless of the benefit period.

### Continuation option (Platinum Plus Level Term only).

Allows the policy to continue with the same level of cover on an age-rated basis at expiry of policy term or to take up another level term policy. The Continuation option ends on the insured person's 59th birthday.

## 3. Claims.

It's important to notify Fidelity Life of a potential claim right away. If notification is more than 60 days after the date of disability, the benefit may start from the date Fidelity Life receive notification.

## 4. Exclusions.

Fidelity Life will not pay a claim for sickness or injury related to pregnancy or childbirth, self-inflicted acts or injury, or specific events and causes agreed upon between Fidelity Life and the policy owner(s) and endorsed on the Policy or the policy schedule.

## 5. Limitations.

- For each insured person, there is a limit of one claim for a total or partial disability at any given time.
- If the insured person stops farming for any reason, other than total or partial disability, this cover will end three months from the date they stopped farming.

## 6. When this cover ends.

This cover ends on the earliest of the insured person's 65th birthday, death, cancellation of the cover, or the Policy ends for any reason.

# Rural key person cover factsheet: At a glance

## Key features.

<b>Entry ages:</b> 16-59.	<b>Expiry age:</b> 65.
<b>Benefit period:</b> 2 years, 5 years, or to age 65.	<b>Wait period:</b> 2, 4, 8, 13, 26, 52, or 104 weeks.
<b>Maximum cover:</b> 35% gross farm turnover – up to \$10,000 per month.	<b>Premium payment options:</b> fortnightly, monthly, quarterly, half-yearly, or yearly.

Built-in benefit.	Benefit description.	Amount paid/ benefit.	Conditions & Exclusions.
<b>Total disability benefit</b>	The client is unable to perform their normal farming job and is not engaged in any job.	<b>Monthly benefit less other income</b>	<ul style="list-style-type: none"> <li>The client must be under the care of a medical practitioner.</li> </ul>
<b>Partial disability benefit</b>	The client is unable to perform at least 25% of their farming job or is earning less than 75% of their monthly benefit.	<b>50% x (monthly benefit less other income)</b>	<ul style="list-style-type: none"> <li>The client must be under the care of a medical practitioner.</li> </ul>
<b>Family member's accommodation benefit</b>	Payment for an immediate family member to stay near the client whilst they receive treatment	<b>\$100 per night</b>	<ul style="list-style-type: none"> <li>The benefit is available for up to 3 months.</li> <li>Client must be totally disabled and be confined for treatment over 50km from their home.</li> </ul>
<b>Hospitalisation/nursing care benefit</b>	Payable when the client is under the care of a registered nurse on the advice of a specialist medical practitioner.	<b>Monthly benefit on pro-rata basis</b>	<ul style="list-style-type: none"> <li>Must have received care for at least 72 hours.</li> <li>The client must be bedridden or near to it for a substantial part of the day.</li> <li>The nurse must visit daily.</li> <li>The benefit is payable for the lesser of the waiting period or 90 days.</li> </ul>
<b>Rehabilitation and retraining benefit</b>	Reimburses costs for rehabilitation, retraining, or re-education to get the client back to work for a minimum of 20 hours per week.	<b>100% of approved costs up to 100% of the monthly benefit</b>	<ul style="list-style-type: none"> <li>Client must be totally disabled for longer than the waiting period.</li> <li>Only half the benefit will be paid before the client returns to work. The other half will be paid once the client is back to work.</li> </ul>

Built-in benefit.	Benefit description.	Amount paid/ benefit.	Conditions & Exclusions.
<b>Recovery support benefit</b>	Covers the costs of necessary equipment (i.e. wheelchair) or modifications to support recovery and rehabilitation.	<b>6 x monthly benefit</b>	<ul style="list-style-type: none"> <li>● A specialist will assess what equipment or modifications are deemed necessary</li> <li>● The benefit will be reduced by any costs reimbursed from any other source</li> </ul>
<b>Relocation benefit</b>	Pays for travel costs back to New Zealand if the client becomes totally disabled overseas.	<b>Up to \$5,000</b>	<ul style="list-style-type: none"> <li>● The client is likely to remain disabled for at least 3 months.</li> </ul>
<b>Recurring claim benefit</b>	Waives the waiting period on a recurrent claim that meets certain conditions.	<b>No waiting period</b>	<ul style="list-style-type: none"> <li>● Recurrence must be of the same or related injury or sickness, and within 12 months after the claim ended.</li> </ul>
<b>Benefit period reset</b>	Applies a new waiting period and benefit period if disabled again after 12 months due to recurrence.	<b>Resets the benefit period</b>	<ul style="list-style-type: none"> <li>● The client needs to be working at least six months without any limitations if the previous full benefit period was used.</li> <li>● If the full benefit period previously was not used, the client needs to work for 12 months without any limitations.</li> </ul>
<b>Waiver of waiting period</b>	Waives the waiting period for a new, unrelated claim within 12 months of returning to work.	<b>No waiting period</b>	<ul style="list-style-type: none"> <li>● A wait period must apply to the previous claim.</li> <li>● The new claim must be for a continuous period of 30 days or more.</li> </ul>
<b>Replacement cover</b>	The client can get Income Protection type cover without providing health evidence if they finish farming.	<b>New Income Protection type cover</b>	<ul style="list-style-type: none"> <li>● Available if client takes up full time work within 3 months of stopping farming.</li> </ul>
<b>Death benefit</b>	Payment if the client dies.	<b>3 x monthly benefit</b>	—
<b>Specified medical condition (SMC) benefit</b>	Pays if the client suffers from a SMC.	<b>Monthly benefit for 6 months</b>	<ul style="list-style-type: none"> <li>● See the cover wording for SMC definitions.</li> <li>● A stand-down period applies to certain conditions.</li> </ul>

Optional benefit.	Benefit description.	Amount paid/ benefit.	Conditions & Exclusions.
<b>CPI option</b>	Increases the monthly benefit based on CPI data on each policy anniversary.	<b>Greater of 2% increase or CPI.</b>	<ul style="list-style-type: none"> <li>Fidelity Life will determine the CPI rate</li> <li>This option expires on the policy anniversary before the clients' 65th birthday.</li> </ul>
<b>Indexation option</b>	Increases the monthly benefit on each policy anniversary.	<b>2% increase.</b>	<ul style="list-style-type: none"> <li>This option expires on the policy anniversary before the clients' 65th birthday.</li> </ul>
<b>Claims escalation option</b>	Increases the amount paid during claims time.	<b>Based on CPI.</b>	<ul style="list-style-type: none"> <li>Claim must be paid continuously for more than 3 months</li> <li>Rate will be applied quarterly, and Fidelity Life will determine this rate.</li> </ul>
<b>Booster benefit option</b>	Increases payments for total and partial disability and provides a benefit for specific injuries for a specified amount of time.	<b>Total disability – 25% increase.</b> <b>Partial disability – 25% increase.</b> <b>Specific injury – see cover wording.</b>	<ul style="list-style-type: none"> <li>Total disability – Payment is for 3 months. Must be used within the first twelve months of claim.</li> <li>Partial disability - Payment is for up to 12 months.</li> <li>Specific injury – see cover wording</li> </ul>
<b>Mental and back disorder limitation</b>	Protects the client if suffer a mental disorder and/or a back disorder.	<b>Up to 24 months.</b>	<ul style="list-style-type: none"> <li>Does not apply if the client cannot do 2 activities of daily living.</li> </ul>
<b>Continuation option</b>	Allows a choice to continue a level policy at expiry, on the same amount of cover on an age-rated basis, or take out another level term policy.	<b>Choose continuation on age-rated or level basis.</b>	<ul style="list-style-type: none"> <li>This option expires on the clients' 59th birthday.</li> </ul>

Exclusions.	Limitations.
<b>Pregnancy or childbirth</b>	Only one concurrent claim per client.
<b>Self-inflicted acts or injury</b>	If the client stops farming, except for disability, cover ends after 3 months.
<b>Events and causes agreed to and endorsed in the Policy schedule</b>	

## Fidelity Life Assurance Company Limited.



\*Fidelity Life has an A- (Excellent) financial strength rating from A.M. Best. The rating scale that this rating forms part of is available for inspection at our offices. For more information please visit Fidelity Life's [financial strength page](#).

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