Mortgage Protector. Income protection cover – agreed value.

Your cover in detail.

1. Introduction.

This Income protection cover – agreed value provides **you** with a monthly payment while the **insured person** is **totally disabled** or **partially disabled**.

The **policy schedule** will show which **insured person** this Income protection cover – agreed value applies to and any Additional options that may apply.

2. Built-in 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 **monthly benefit** less **other income** 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 7).

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

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 7).

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?

When the **insured person** is **partially disabled**, **you** must select which of the details **you** want the Partial disability benefit to be calculated on before the partial disability claim commences. **You** can change the details used once the partial disability claim has commenced if the request is received by **us** within 90 days of your partial disability claim commencing. This change can only be made once and will apply from the date **we** receive your written notification.

For all claims, **we** will pay:

((A – B) / A) x the **monthly benefit**

Benefit based on the insured person's monthly benefit.

If this method is selected:

- 'A' is **monthly benefit** less **other income**.
- 'B' is the **monthly earned income**.

Benefit based on the insured person's pre-disability income.

If this method is selected:

- 'A' is **pre-disability income** less **other income**.
- 'B' is the **monthly earned income**.

The amount **you** receive including **other income** won't exceed 75% of the **insured person's pre-disability income**. If the percentage loss of **monthly earned income** is 75% or more, **we** will consider the loss to be 100%.

Capacity to work.

No matter which calculation method is selected, when the **insured person** is **partially disabled** and has the capacity to work more hours than **they** are working, **we** will calculate **their** benefit based on what **they** could reasonably be expected to earn. If this situation applies, **we** will pay:

((A – B) / A) x the **monthly benefit** less **other income**

- 'A' is **pre-disability hours**.
- 'B' is **post-disability hours**.

2.3 Family member support benefit.

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

a. **they** are **totally disabled** and confined to bed, and

b. a **medical practitioner** certifies that **they** require full time care, and

c. the income of one **immediate family member** stops as a result of that person providing **them** care.

We will pay an additional amount for 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 for the **insured person** and any amounts payable under the Hospitalisation/nursing care benefit will be deducted when calculating the benefit amount.

2.4 Hospitalisation/nursing care benefit.

We will pay **you** 1/30th of the **monthly benefit** for each full day an **insured person** is **totally disabled** in the **waiting period** and:

a. is under the care of a registered nurse (on the advice of a **medical practitioner**) visiting at least once a day, and

b. remains in or near a bed for a substantial part of each day, and

c. 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**, will be reimbursed once **they** have returned to paid work for a minimum of 20 hours per week.

The maximum amount **we** will pay for each sickness or injury is equal to 12 times the **monthly benefit**. If **they** experience a recurrence of that sickness or injury either under the Recurring claim benefit under 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 are not 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 **monthly benefit**.

2.7 Relocation benefit.

If an **insured person**:

a. has been residing outside New Zealand for more than three consecutive months, and

b. is **totally disabled** while outside New Zealand, and

c. a **medical practitioner** advises that **they** are likely to remain **totally disabled** for at least three months,

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

- $5,000, or

- the actual cost of a single standard economy airfare from **their** location to New Zealand by the most direct route, less any amounts reimbursable from other sources.

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

2.8 Recurring claim benefit.

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

a. an **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 section 2.1 or 2.2.

2.9 Benefit period reset.

The **waiting period** and a new **benefit period** will apply where an **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 **totally disability** or **partial disability** claim under this Income protection cover – agreed value.

This Benefit period reset doesn't apply to **them** where **they** are **totally disabled** or **partially disabled** as a result of a **mental disorder** or **back disorder** where the Mental and back disorder limitation is shown in the **policy schedule** for **them**.

2.10 Waiver of waiting period.

We won't apply the **waiting period** on a new claim for an **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 section 2.1 or 2.2.

2.11 Reduction in waiting period.

You can apply to reduce an **insured person's waiting period** without providing any health, occupation or financial information if a Key person cover or Business expenses cover **they** are the **insured person** on with **us,** is cancelled. The **waiting period** on this Income protection cover – agreed value will be reduced to match the **waiting period** on the cancelled cover. The reduced **waiting period** on this cover will apply to the lessor of:

- the monthly benefit for the Key person cover or Business expenses cover when it was cancelled, or
- the **monthly benefit** for this cover.

If **they** resign from a job which results in either a reduction in sick leave entitlement or the loss of income insurance provided by **their** previous employer, **you** can apply for a reduction in **waiting period** without providing any health information. To support this application, **you** will need to provide **us** with the following:

- details of the change in circumstance which supports the need for a shorter waiting period, and
- occupation and financial information.

Conditions.

a. **You** must make the application in writing with supporting evidence within 60 days of the cancellation of cover or resignation from job.

b. The **insured person's** resignation mustn't be due to retirement, ill health or incapacity.

c. The **insured person** must be under the age 59 at the time of the reduction.

d. The **insured person** mustn't have either had a claim paid or are entitled to be paid a claim under any policy with **us** or any other insurance company.

e. The premiums must be up to date and not being waived for any reason.

f. **Your** premiums will increase with any reduction in **waiting period**.

g. Once the **waiting period** has been reduced under this benefit, no further reductions will be allowed without evidence of health.

2.12 Future insurability.

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

a. **We** will require confirmation **they** are actively at work and **their** income is expected to continue at or above the current level. **We** may also require additional financial evidence **we** consider reasonably necessary in the circumstances.

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 apply for this Future insurability option in writing within the later of either:

- 90 days of the increase in income, or
- 30 days of the following **policy anniversary**.

d. This option isn't available if:

- the **insured person** has either had a claim paid or is entitled to make 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.

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 increase based on **their** age, occupation, and premium rates at the time 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** at the **start date**.

2.13 Leave without pay.

You can apply to **us** in writing to ask **us** to suspend this Income protection cover – agreed value and its premiums for an **insured person** for up to 12 consecutive months. Leave without pay is only available for the following reasons: compassionate leave, maternity leave, paternity leave, sabbatical leave, study leave at a registered educational centre or involuntary unemployment. The period of leave without pay from **their** occupation must be for reasons other than disability.

You must advise **us** how long **you** want the cover and the premiums suspended. In applying for the Leave without pay benefit **you** acknowledge that reinstating this Income protection cover – agreed value within the 12-month period is **your** sole responsibility.

While this cover is suspended there'll be no cover. This means **we** won't pay a claim for any event that would have been covered if this Income protection cover – agreed value wasn't suspended for any sickness or injury:

- which first existed, or

- where its direct cause first existed, or
- where **they** 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 **their** Income protection cover – agreed value was suspended.

You can't make any claim for **them** unless **you** have restarted making premium payments and **they** have:

- 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 starting.

We will pay a pro rata **monthly benefit** if **you** make a claim where **they** have returned to work part-time.

Conditions.

a. This cover must've 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 has been activated 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 protection cover – agreed value's **start date** or the date it or this Policy is reinstated. Involuntary unemployment doesn't include bankruptcy and **they** must be registered with an accredited employment agency.

d. The maximum **monthly benefit** that can be suspended under this Leave without pay benefit is $8,000 per month.

e. **You** can reinstate this Income protection cover – agreed value without providing **their** health information.

f. From the date **you** reinstate this Income protection cover – agreed value, premiums are payable on the same terms that applied before the period of leave without pay or involuntary unemployment. **We** will base the premium on **their** current age at the date of reinstatement and the premium rates that apply at that time.

g. **They** must have had a continuous period of at least 12 months employment since the previous period of leave without pay or involuntary unemployment before **you** can use this leave without pay benefit again.

h. The maximum period of leave without pay or involuntary unemployment is 12 months over the entire term of this Policy.

2.14 Replacement benefit.

If the **insured person** is self-employed and employs a replacement during a period of **total disability** or **partial disability**, then **you** can apply for a replacement benefit instead of the Total disability benefit or Partial disability benefit subject to the following conditions.

a. The replacement isn't a member of **their** family and performs duties that **they** are unable to perform because of sickness or injury.

b. The replacement isn't a current worker who increases their workload.

c. For a period of **total disability** the benefit will be the least of:

- the amount paid for replacement labour, or
- the **monthly benefit** less **other income**, or
- $5,000 per month.

d. For a period of **partial disability** the benefit will be the least of:

- the amount paid for replacement labour, or
- a percentage of the **monthly benefit** less **other income** based on **their** degree of **partial disability**, or
- $5,000 per month.

To qualify the **insured person** must be at least 25% disabled.

3. Additional options.

3.1 CPI option.

If this option is included in this cover, the **policy schedule** will show which **insured person** this applies to.

How **we** apply the CPI option is set out in section 7 of the Policy terms and conditions.

The last increase under this CPI option for an **insured person** will be applied on the **policy anniversary** before **their** 65th birthday.

If **we** are paying **you** a Total disability benefit or a Partial disability benefit under this cover, **your** claim payments won't be increased by CPI unless the Claims escalation option is included in this cover.

3.2 Claims escalation option.

If this option is included in this cover, the **policy schedule** will show which **insured person** this applies to.

If the **monthly benefit** is paid continuously for more than three months, **we** will increase the **monthly benefit** on each quarter of the date payment started, by a rate **we** determine based on the percentage increase of the consumer price index. The amount of the increase in the **monthly benefit** will be the quarterly equivalent of the annual rate of the increase in the consumer price index **we** determine.

3.3 Extra benefits option.

If this option is included in this cover, the **policy schedule** will show which **insured person** this applies to.

The following benefits are included in this Extra benefits option:

3.3.1 Death benefit.

If the **insured person** dies while this cover is in place, **we** will pay an additional amount equal to three times the **monthly benefit** to **their** legal personal representative.

3.3.2 Specified medical condition benefit.

If the **insured person** suffers a specified medical condition as listed below and defined in section 9, **we** will consider **them** to be **totally disabled**.

Angioplasty – triple vessel	**Coronary artery bypass surgery**	**Multiple sclerosis**
Aorta surgery	**Heart attack**	**Paralysis**
Cancer	**Heart valve surgery**	**Severe burns**
Chronic kidney failure (renal failure)	**Major organ transplant**	**Stroke**

We will pay the **monthly benefit** for six months following **them** being diagnosed for the first time as having suffered from any of the above **conditions**, whether or not **they** are working. The benefit can be paid as a monthly benefit or a lump sum calculated by multiplying the **monthly benefit** by six.

The payment is instead of any other benefit under this cover. If **they** are **totally disabled** or **partially disabled** at the end of the six months, any further benefits will be determined under sections 2.1 or 2.2. If **they** die before the end of the payment period, and **we** were paying the benefit as a monthly benefit, **we** will pay the remainder of the monthly payments in a lump sum.

Stand-down period.

If the **conditions** stated below occurred or was diagnosed, or the signs or symptoms leading to diagnosis became apparent to the **insured person**, or would have become apparent to a reasonable person in **their** position, within three months:

- from the date **we** receive the **application** for this cover, then no benefit will ever be payable for that **condition** under this cover, or
- of the date of reinstatement, then no benefit will ever be payable for that **condition** under this benefit, or

- of the date of any increase in the **monthly benefit**, (excluding increases due to the CPI option), then no benefit will ever be payable for that **condition** for that increase in **monthly benefit**.

The stand down applies to the following **conditions**:

a. **Cancer**, **heart attack**, or **stroke**.

b. **Angioplasty – triple vessel** if there was narrowing or blockage of one or more arteries.

c. **Coronary artery bypass surgery** if there existed disease of the arteries.

d. **Aorta surgery** if there was narrowing, dissection or aneurysm of the abdominal or thoracic aorta.

e. **Heart valve surgery** if there was heart valve defects or abnormalities.

The **stand-down period** won't apply if **they** had similar cover with **us** or another insurance company and this cover replaced that cover, up to the sum insured under the replaced cover, provided the previous policy had been in force for at least three months.

3.3.3 Specific injury benefit.

If an **insured person** suffers an injury listed below, **we** will pay the **monthly benefit** for the lesser of the payment period shown in the table below or the **benefit period**, whether or not **they** are working. This benefit is paid in advance from the date **they** suffer the injury and isn't subject to **other income**.

If **they** suffer more than one listed injury, the injury that provides the longest payment period will be paid. The payment is instead of any other benefit under this cover.

If **they** are **totally disabled** or **partially disabled** at the end of the payment period, any further benefits will be determined under sections 2.1 or 2.2. If **they** die before the end of the payment period, **we** will pay the remainder of the monthly payments in a lump sum.

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 must be diagnosed by a **medical practitioner** within 30 days of the incident giving rise to the fracture. Fracture doesn't include:

- osteoporotic fractures, or
- an avulsion fracture, or
- a hairline fracture, or
- a stress fracture, or
- bone bruising.

Loss means the total and permanent:

- loss of the use of the hand from the wrist or the foot from the ankle joint, or
- loss of the use of the arm from the elbow or leg from the knee joint, or
- complete severance of the thumb and index finger from the metacarpophalangeal joint, or
- irrecoverable total loss of an eye or sight in the eye.

3.3.4 Total and permanent disability.

If the **insured person** suffers a total and permanent disability, **we** will pay 24 times the **monthly benefit** as a lump sum if a **monthly benefit** has been paid for 12 consecutive months in respect of **them**.

Total and permanent disability means that based on medical evidence and other relevant evidence, **they** are:

- unlikely to ever be able again to perform at least two of the **activities of daily living** without the assistance of an adult, or
- unable to perform one of the **activities of daily living** without the assistance of an adult and **their** intellectual capacity has deteriorated to such an extent that requires **them** to be under continuous full time care for **their** safety to prevent such situations including but not limited to

wandering away from **their** usual place of residence, physical aggression, neglect of self-care, misjudging or causing situations that are dangerous for themselves or others.

3.4 Booster benefit option.

If this option is included in this cover, the **policy schedule** will show which **insured person** this applies to.

The following are included in this Booster benefit option:

3.4.1 Total disability booster.

If **we** are paying **you** a Total disability benefit as set out in section 2.1, **we** will increase the amount **we** pay **you** for that **insured person** by one third for a maximum of three months from the end of the **waiting period** for any one continuous period of **total disability**.

This Total disability booster applies to a continuous period of **total disability** for an injury or sickness and doesn't apply to any other benefit payments for **them** under this Policy.

3.4.2 Partial disability booster.

If **we** are paying **you** a Partial disability benefit as set out in section 2.2 for an **insured person**, **we** will increase the amount **we** pay **you** for **them** by 25%, until the earliest of the following:

- 12 months from the date **you** are entitled to the Partial disability booster payment for that injury or sickness, or
- **we** have paid the Partial disability booster for a total of 12 months for that injury or sickness, including any period **you** receive the partial disability booster due to **them** suffering a recurrence of that same or related injury or sickness, or
- **they** are no longer **partially disabled**.

This Partial disability booster applies to a continuous period of **partial disability** for an injury or sickness under this Income protection cover – agreed value and doesn't apply to any other benefit payments for **them** under this Policy.

If **you** have selected that the Partial disability benefit be calculated based on **their pre-disability** income, then the amount **you** receive including **other income** won't exceed 100% of **their pre-disability income**.

3.5 Extended benefit option.

If this option is included in this cover, the **policy schedule** will show which **insured person** this applies to.

If:

a. **they** meet the **occupation class** 5 definition of **total disability**, and

b. **they** have reached age 65, and

c. the **monthly benefit**, subject to the limitations of section 6 of this cover was payable for at least three months before **their** 65th birthday,

then a benefit will be paid until the earlier of:

- **they** die, or
- **they** are no longer **totally disabled** to the extent of the **occupation class** 5 definition.

The benefit payable after **their** 65th birthday will be equal to the monthly benefit paid before **their** 65th birthday and the Claims escalation option, if applicable, won't apply.

3.6 Mental & back disorder limitation.

If this option is included in this cover, the **policy schedule** will show which **insured person** this applies to.

If an **insured person** has this limitation and suffers from a **mental disorder** and/or a **back disorder**, **we** will pay benefits for a maximum period of 24 months regardless of the **benefit period**.

We will consider successive periods of **total disability** or **partial disability** due to the same or a related **mental disorder** and/or **back disorder** as an extension of the previous period of **total disability** or **partial disability**. **We** will reduce the maximum period under this clause by the length of time during which benefits have already been paid for **them**.

This Mental and back disorder limitation doesn't apply if **they** are unable to perform at least two **activities of daily living** without the assistance of an adult.

4. Claims.

4.1 Notice.

You or the **insured person** must notify **us** in writing immediately if **you** or **they** become aware of any circumstance likely to lead to a claim.

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

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

4.2 Obligations.

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

- Complete **our** claim forms in full and send it to **us** as soon as reasonably possible.
- Authorise the disclosure to **us** of **their** or **your** personal information in connection with the claim held by any other party.
- Authorise the disclosure of **their** 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.

The **insured person** must throughout the life 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.

You must pay any expenses incurred in proving **your** claim.

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 won't be made for any time the claim was stopped and will only recommence from the date **we** receive all the outstanding requirements.

4.3 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.

5. Exclusions.

You can't claim under this cover for sickness or injury 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**.

6. Limitations.

6.1 Concurrent disability.

For each **insured person you** can only claim for one **total disability** or **partial disability** under this Income protection cover – agreed value at any one time.

6.2 Unemployment.

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

Long service or sabbatical leave isn't considered as unemployment.

Other income will be deducted from any benefits payable.

6.3 To age 70 benefit.

If the **benefit period** is to age 70, on the **policy anniversary** after the **insured person's** 65th birthday and on each subsequent **policy anniversary**, **we** will reduce the benefit payable to a proportion of the **monthly benefit** according to the following table:

Age at policy anniversary immediately before the disability	Proportion of the monthly benefit
65	80%
66	60%
67	40%
68	20%
69	10%

The benefit **we** will pay will be determined by **their** age at the **policy anniversary** immediately before the **disability** starts.

The premiums payable will reduce to reflect the reduction in the **monthly benefit** payable.

6.4 Taxation.

Our understanding of the current tax law on the date this document was written is that for individuals, most benefits payable for disability under this cover are neither taxable as income nor are the premiums deductible as an expense. This interpretation may be subject to change. **We** recommend **you** seek **your** own expert tax advice.

If the New Zealand Inland Revenue declares that agreed value income protection cover is taxable, **we** will allow **you** to increase the **monthly benefit** without medical underwriting to a level agreed by **us** to reflect the fact that the benefit will be taxable.

We will write to **you** to notify **you** of this ruling/declaration. **You** will have 90 days after the Inland Revenue's ruling/declaration to request the increase in cover. The increased cover will be on the same terms (including any special terms or premium loadings) as the original cover.

A premium is payable for the increased amount from the date of the increase.

This premium is calculated on the rates that apply at the time of the increase.

If **you** request the increase in cover after the 90-day period, **we** will require the **insured person** to be reassessed before increasing **their** cover.

We won't allow any increase after the date on which **they** become entitled to claim or have submitted a claim under this Income protection cover – agreed value.

7. When this cover ends.

This Income protection cover – agreed value ends for an **insured person** on the earliest of the date:

a. **you** cancel **their** Income protection cover – agreed value, or

b. this Policy ends for any reason, or

c. of **their** 65th birthday, unless a **benefit period** for **them** is to age 70 in which case **their** 70th birthday, or

d. **they** die.

8. General definitions.

The definitions shown below apply to all derivatives of the words defined.

Application.

A completed application form for this cover, accompanied by either the first premium payment or the receipt of a valid payment instruction by **us**.

Back disorder.

Any disease, disorder or injury to the spine, its intervertebral discs, nerve roots, supporting musculature or ligaments, which is caused by any disease or is as a result of any accident.

Benefit period.

The period shown in the **policy schedule** adjacent to Benefit period.

Immediate family member.

Spouse, de facto spouse, partner, son or daughter.

Mental disorder.

A manifestation of any disorder classified in the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association that is most current on the date the **total disability** or **partial disability** began.

Mental disorders include, but aren't limited to, the following disorders or combination of disorders:

- Anxiety, depression, behavioural disorder, psychoneurosis or psychosis
- Stress, fatigue, exhaustion, chronic fatigue syndrome
- Any psychiatric complication of physical disorders
- Drug or alcohol abuse
- Any other physical disorder related or attributable to stress or any other mental or nervous disorder

Monthly earned income.

Earnings 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.

Occupation class.

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

Other income.

Income an **insured person** receives or is entitled to receive during a period of **total disability** or **partial disability** from any:

- other insurance policy covering the same risk,
- government funded source (such as ACC payments or any benefit) or a statutory source. Payments received under New Zealand Superannuation aren't 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.

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 has provided **them** with written confirmation of the need to reduce **their** hours, and
- are working (or could work) but are:
  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.

Post-disability hours.

The number of hours per week the **insured person** could reasonably be expected to work 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**).

Pre-disability hours.

The average number of hours per week the **insured person** worked in the twelve months immediately before becoming **totally disabled** or **partially disabled** subject to a maximum of 40 hours.

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 claim 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:

- 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
- 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**.

Whole person function.

The evaluation of whole person function derived from the most recent edition of the American Medical Association's book Guides to the Evaluation of Permanent Impairment (Guides) as assessed by an appropriately qualified **medical practitioner**.

9. Specified medical condition definitions.

Angioplasty – triple vessel.

Undergoing a coronary artery angioplasty to correct narrowing or blockage of three or more coronary arteries within one or more procedures within a two-month period.

Angiographic evidence indicating obstruction of the treated coronary arteries and confirmation from a **specialist medical practitioner** is required to confirm that the procedure is **medically necessary**.

Aorta surgery.

Surgery, including minimally invasive surgery or percutaneous procedures, to correct any narrowing, dissection or aneurysm of the abdominal or thoracic aorta by repair or its replacement.

Cancer.

The confirmed presence of one or more invasive malignant tumours diagnosed by a **specialist medical practitioner** with supporting histological evidence of uncontrolled growth of malignant cells and invasion of normal tissue beyond the basement membrane. The term malignant tumour also includes leukaemia, sarcoma, malignant bone marrow disorders, and malignant lymphomas.

In addition to the above, only cancers meeting the following specified level of advancement for that cancer are covered:

- Hodgkin's and Non-Hodgkins lymphoma (all stages)
- Chronic lymphocytic leukaemia of Rai stage 1 or higher
- Malignant melanomas meeting any of the following criteria:
  - at least Clark Level 3 depth of invasion, or
  - 1mm Breslow thickness or greater, or
  - showing evidence of ulceration.
- Prostatic cancers meeting any of the following:
  - at least TNM classification T2, or
  - a Gleason score greater than or equal to 6, or
  - the entire prostate has been removed through a prostatectomy, or
  - **medically necessary** treatment by radiotherapy or chemotherapy has been performed.

- Papillary and follicular carcinoma of thyroid of at least TNM classification T2
- Squamous cell carcinomas of the skin where the carcinomas have spread to other organs, bones or lymph nodes
- Other cancers not listed above of at least TNM classification T1

This definition doesn't include the following:

- Tumours showing the malignant changes of carcinoma-in-situ (including cervical dysplasia CIN1, CIN2 and CIN3)
- Tumours histologically classified as pre-malignant or having low-malignant potential
- All hyperkeratoses or basal cell carcinomas of the skin

Chronic kidney failure (renal failure).

End stage renal failure diagnosed by an appropriate **specialist medical practitioner** and presenting as chronic irreversible failure of both kidneys to function and resulting in regular renal dialysis being started.

Coronary artery bypass surgery.

Medically necessary coronary artery bypass graft surgery to correct coronary artery disease that is causing inadequate myocardial blood supply.

Angioplasty, intra-arterial procedures and other non-surgical techniques are excluded.

Heart attack.

The death of a portion of heart muscle as a result of inadequate blood supply. The basis of diagnosis must be confirmed by an appropriate **specialist medical practitioner** and evidenced by a typical rise and/or fall of cardiac biomarkers (Troponin I, Troponin T or CK-MB) and must also be supported by one of the following changes consistent with a heart attack:

- new cardiac symptoms and signs, or
- electrocardiogram (ECG) tests showing new significant changes, or
- imaging evidence of new loss of viable myocardium or new regional wall motion abnormality.

If the above tests are inconclusive, **we** will consider other appropriate and medically recognised tests in support of the diagnosis.

The following are excluded:

- other acute coronary and other non-coronary syndromes, including but not limited to angina pectoris, and
- a rise in biological markers as a result of an elective percutaneous procedure for coronary artery disease.

Heart valve surgery.

Surgery, including minimally invasive surgery or percutaneous procedures, to replace or repair a cardiac valve or valves as a consequence of heart valve defects or abnormalities.

Major organ transplant.

The actual transplant, or placement on an official waiting list of a Transplantation Society of Australia and New Zealand recognised transplant unit, of one or more of the following organs or tissues:

- Kidney
- Heart
- Lung
- Liver (including live donor liver transplants)
- Pancreas
- Small bowel
- Bone marrow
- Blood-forming stem cell transplant.

The transplant must be confirmed by an appropriate **specialist medical practitioner** as being medically necessary and treatable only by a transplant. The transplant of all other organs, parts of organs (except for liver transplant) or other tissue transplant is excluded.

Multiple sclerosis.

The unequivocal diagnosis by an appropriate **specialist medical practitioner** of multiple sclerosis confirming more than one episode of well-defined neurological abnormalities and:

- at least 25% permanent impairment of **whole person function**, or
- the permanent inability to perform at least one of the **activities of daily living** without the assistance of an adult, or
- Expanded Disability Status Scale (EDSS) level of 7.5 or higher.

The diagnosis must be based on confirmatory neurological investigations e.g. lumbar puncture, evoked visual responses, evoked auditory responses and NMR (Nuclear Magnetic Resonance) evidence of lesions of the central nervous system.

Paralysis.

The total and permanent loss of use of one or more limbs resulting from injury or disease. Limb means an entire arm or leg and included in this definition is monoplegia, diplegia, hemiplegia, paraplegia, quadriplegia and tetraplegia. The diagnosis must be confirmed by a **specialist medical practitioner**.

Severe burns.

Tissue injury caused by thermal, electrical or chemical agents that results in third degree burns to at least:

- 20% or more of the Body Surface Area as measured by the Rule of 9's or the Lund and Browder Body Surface Chart, or
- 50% of both hands requiring surgical debridement and/or grafting, or
- 25% of the face requiring surgical debridement and/or grafting.

Stroke.

A cerebrovascular incident including infarction of brain tissue, intracranial or subarachnoid haemorrhage, or embolisation from an intracranial source as evidenced by CT, MRI or similar scan.

Transient ischaemic attacks and cerebral symptoms due to migraine are excluded.

.