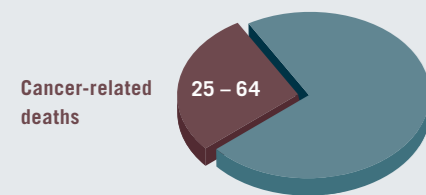


THE UNEXPECTED DOES HAPPEN...

ON AVERAGE there is one death in New Zealand every 19 minutes.¹

STROKE AND HEART DISEASE ACCOUNTED FOR 38% OF ALL DEATHS in New Zealand in the 2005/06 period.²

IN 2005 28% OF CANCER-RELATED DEATHS WERE of people aged between 25 and 64.³



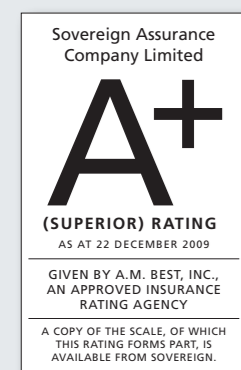
THERE WHEN YOU NEED US...

With Sovereign you can be confident that we'll be there when you need us.

We pay out more in claims than dose any other life insurer in New Zealand – providing our customers with financial support in their times of need. During the year ended June 2008, Sovereign paid out over \$100 million in Life claims alone and, overall, Sovereign pays 97% of claims.⁴

We're dedicated to working closely with our customers to achieve the best possible outcomes when the unexpected happens. Our philosophy on all claims is to make the process easy for you and your loved ones.

Our team of experienced claims specialists is ready to assist should you need to make a claim.



Sovereign Assurance Company Limited holds an A+ (Superior) Rating** Financial Strength and an aa- Issuer Credit Rating as at 22 December 2009 given by A.M. Best Inc., a specialist insurance rating agency.

** The rating scale is available for inspection at Sovereign's head office.

- 1 Statistics New Zealand, New Zealand Life Tables, June 2007.
- 2 Statistics New Zealand (2009): New Zealand Life Tables: 2005/07. Wellington: Statistics New Zealand.
- 3 Mortality and Demographic data, New Zealand Health Information Service, 2005 (provisional data).
- 4 Sovereign Claims Department, June 2009.

SOVEREIGN

Sovereign has been a part of New Zealanders' lives since 1989, and today provides life, business and health insurance, home loans, investment and superannuation products to more than 650,000 customers. Twenty percent of New Zealanders over the age of 15 years have a relationship with Sovereign.

Our products are carefully designed to meet the specific needs of our many and varied personal and business customers, helping them build independence and financial freedom.

WE ARE:

- The country's leading life insurance company
- New Zealand's largest non-bank home loan provider
- The country's third-largest health insurance provider on the basis of premiums and memberships
- New Zealand's largest Workplace Risk Insurer
- The sixth-largest company in New Zealand for total funds under management, managing over \$1.2 billion (as at 30 June 2009).

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OTHER THINGS YOU SHOULD KNOW:

The availability of insurance cover is subject to your application being approved. All applications are subject to individual consideration. Special conditions, exclusions and premium loadings may apply. This insurance is underwritten by Sovereign Assurance Company Limited ('Sovereign'). For full details of the products and benefits featured in this guide, please speak to your adviser or refer to the policy document(s) which are available from Sovereign.

('Sovereign'), the policy insurer, is part of the Commonwealth Bank of Australia Group and is a related company of ASB Bank Limited and its subsidiaries ('the Banking Group'). Neither the Banking Group, the Commonwealth Bank of Australia, nor any of their directors, nor any other person guarantees Sovereign or its subsidiaries, or any of the products issued by Sovereign or its subsidiaries.

TotalCareMax

LIFE COVER

ARE YOU TAKING THE LEAD IN YOUR LIFE?

We may like to think 'it will never happen to us' but when we die, it's often prematurely and we leave family and loved ones behind. Have you made plans to ensure your family or business can survive without you?

LIFE COVER – WHAT IS IT?

Life Cover safeguards the lifestyle and future of your family and loved ones if you die. Would your family cope with the monthly bills or mortgage repayments without your salary? Would your business survive without your expertise? Life Cover is designed to pay a lump sum if you die prematurely. It is essential for those with family, business or other financial commitments.

QUICK KEY

TYPE OF COVER Sovereign has Personal and Business Life Cover to suit your needs, whether you want to protect the future of your family or your business.

TERMINAL ILLNESS Provides an early payment of your Life Cover benefit if you are diagnosed as being terminally ill and will die within 12 months. This means you can spend your remaining time with your family and loved ones without worrying about your finances.

BEREAVEMENT SUPPORT This benefit pays an immediate lump sum of up to \$10,000 to help with funeral expenses (or the monthly benefit if you have the Family Protection benefit) upon Sovereign receiving notification of death.

SPECIAL EVENTS In certain situations (for example, when you get married, have a baby or purchase a house) or if your financial interests in, or value to, a business increases, you can apply to increase your sum assured without having to provide further medical information.

CHILDREN'S FUNERAL BENEFIT Pays an accelerated benefit of up to \$2,000 when a child of the life assured dies as a result of an accident between the ages of three and 10 years.

WORLDWIDE COVER Provides cover anywhere in the world, 24 hours a day.

OPTIONAL FAMILY PROTECTION BENEFIT Provides for a monthly amount, rather than a lump sum, to be paid to your family after your death.

ELIGIBLE ENTRY AGES 10 years to 70 years.

TERM OF COVER Renewable each year with no age limit.



Life Cover helps your family and loved ones to survive financially should the worst happen

SOVEREIGN PROVIDES Life Cover as either Personal or Business Cover depending on your needs.

SOVEREIGN ALSO OFFERS a Family Protection benefit that is designed to pay a monthly amount, rather than a lump sum, to your family after your death. The regular income helps your family to maintain its lifestyle.

HOW COULD LIFE COVER HELP?

PROTECTING YOU AND YOUR FAMILY		
LIFE COVER BENEFIT (LUMP-SUM PAYMENT)	Repaying the mortgage	If the unexpected happens, there will be funds to help pay off your home loan and safeguard your family's future.
	Day-to-day living expenses	Those everyday bills might not seem too much of a burden, but they can really add up. Would your family be able to cover living expenses such as food, clothing and schooling without you?
	Raising children	The cost of raising a family is significant. Life Cover can help ensure that your children have the schooling and upbringing you'd want for them, if you weren't around.
	Protecting retirement savings	In the event of death there's a lump sum available, which means the nest egg planned for you, or your partner and family, isn't put in jeopardy.
FAMILY PROTECTION BENEFIT (MONTHLY PAYMENT)	Funeral expenses	Your family will be protected from the significant cost of a funeral and related expenses. Sovereign Personal Life Cover also provides funeral benefit of up to \$2,000 if your child should dies.
	Easier financial management	A large lump sum is daunting for some people so, instead, your family can receive a monthly income source, providing them with security, peace of mind and, best of all, a future.
	Monthly expenses	A regular payment can assist with monthly expenses such as mortgage repayments, electricity, food, clothing and schooling.
	Flexible benefit terms	You can choose the length of time over which you wish the monthly payment to be made, customising your cover to suit your family situation and the ages of your children.

PROTECTING YOU AND YOUR BUSINESS		
LIFE COVER BENEFIT (LUMP SUM PAYMENT)	Business continuity	If you have a business, the funds from your Life Cover may assist the business to continue operating.
	Recruitment costs	The survival of your business could depend on finding a qualified replacement, or training an existing employee, to take over.
	Succession planning	Your aspirations for the business can be followed through, providing you with more choices and making it easier for business partners to take over your interests.
	Business loan repayment	The funds may contribute to the payment of outstanding loans, assisting your business and your family to become debt-free.
	Buy-sell agreement	A buy-sell agreement is a written agreement between you and your business partner(s) setting out what each of you intends to do with your business interests should one of you leave the business. Essentially, it is a will for your business. Life Cover is essential for funding the buy-sell agreement, which applies when your business partner dies, becomes permanently disabled or suffers a traumatic illness.

Feature	How it works	Why it's important	Personal	Family Protection benefit	Business
BUILT-IN FEATURES OF TOTALCAREMAX LIFE COVER					
Terminal Illness	If you are diagnosed with a terminal illness and will die within 12 months of the diagnosis, you can elect to have some or all of your Life Cover paid in advance. The Life Cover benefit is reduced by the amount of any terminal illness benefit paid.	You are unlikely to be working and this means that there will be less household income. This money can also be used to help make the most of the time you have left with your family and loved ones.	✓		✓
Financial Advice	If Sovereign pays a claim under this Life Cover benefit, then we can reimburse the policy owner for fees up to \$1,500 including GST paid for financial advice received by the policy owner from a Sovereign-approved financial adviser. This is a one-off payment.	Where expert advice is needed, this benefit can provide a small sum to help fund the costs of obtaining professional advice.	✓		✓
Bereavement Support	This pays an immediate lump sum of up to \$10,000 upon Sovereign receiving notification of death. The Life Cover benefit payable is reduced by the amount paid for the Bereavement Support benefit. If you have chosen the Family Protection benefit then the Bereavement Support benefit pays a lump sum of \$10,000 or the monthly benefit, whichever is less.	This gives speedy access to a lump sum at a stressful time. The payment is often used to cover funeral costs, travel, accommodation and counselling.	✓	✓	
Special Events Increase Facility	In certain situations, you can apply to increase your sum assured without having to provide further medical information.	Life-changing events often result in greater financial responsibilities. We make it easy for you to increase your cover when you: <ul style="list-style-type: none"> ■ Take out or increase a home loan ■ Have a child (by birth or legal adoption) ■ Get married or enter into a civil union ■ Become divorced/have a civil union dissolved ■ Your business interests increase ■ Become responsible for the full-time care of a close relative. 	✓	✓	✓
Children's Funeral Benefit	If your child dies as a result of an accidental injury within 90 days of the injury occurring, we will pay a Children's Funeral Benefit of up to \$2,000. The child must be between the ages of three and 10 years at the time of first suffering the injury.	On the death of a child, this money is immediately available to assist with the cost of a funeral – one less expense to have to worry about at a stressful time.	✓	✓	
You Nominate the Benefit Term	This can be for a set number of years (from five to 30 years) or until the insured person reaches a nominated age (between 31 and 70).	While a shorter term can mean this type of cover is affordable, having a wide range of terms to choose from means you can arrange the cover to suit your own family situation.		✓	
OPTIONAL ADD-ON BENEFITS FOR TOTALCAREMAX LIFE COVER					
Future Insurability	You can increase your Life Cover by up to \$1 million, or twice the original Life Cover insured (whichever is less), during the term of your policy, without answering any further health questions. Every increase in cover will require an increase in premium.	This allows you to increase your cover as your personal circumstances change. The choice is yours.	✓		
Business Safeguard Facility	Within three months of each occasion on which the insured's financial interests in, or value to, the business, or loan guarantees increase, you can write to Sovereign asking us to increase the Life Cover benefit for that person without answering any further health questions.	We make it easy for your cover to keep pace with changes in your business responsibilities.			✓
Waiver of Premium (separate benefit)	Waiver of Premium removes the burden of paying premiums when you are unable to work due to total disability, saving you money when you need it most. The Waiver of Premium takes effect after a selected waiting period. There is a choice of two, four, eight, 13, 26, 52 and 104-week waiting periods. Waiver of Premium is available to people aged up to 55 or 60 depending on occupation.	With Waiver of Premium cover, you'll have one less expense to think about come claim time.	✓	✓	✓

WHAT ARE YOUR PREMIUM OPTIONS?

INFLATION-PROOFING (CPI) If you choose to have your policy linked to the Consumer Price Index (CPI), every year your sum assured will increase in line with the CPI – as your sum assured increases, your premiums will increase too.

RATE FOR AGE means that every year, as you get older, your premium will increase. Premiums will also change if you choose to have your benefits linked to the CPI.

PREMIUM OPTIONS

- **Rate for Age** – where your premium increases each year in line with your age
- **Level 10 years** – where your premium remains constant for 10 years, and then reverts to Rate for Age
- **Level to age 65** – where your premium remains constant until you are 65 years old and then reverts to Rate for Age
- **Level to age 80** – where your premium remains constant until you are 80 years old and then reverts to Rate for Age.

If your cover doesn't change, your premiums will remain the same for the period you have selected. Even if there is a change in the underlying rates, your premium will remain the same until the end of the selected period.

Where you have chosen to increase the sum assured in line with the CPI, the underlying premium rates will remain the same and any premium increase will relate only to the increase in the sum assured.

HOW MUCH COVER DO YOU NEED?

Speak to your adviser or visit www.sovereign.co.nz for a calculator that will help you estimate the level of life insurance you require.

