



TotalCareMAX

# TOTAL PERMANENT DISABLEMENT

## ARE YOU TAKING YOUR GOOD HEALTH FOR GRANTED?

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Life doesn't always turn out the way we plan it. Sometimes we become ill or have an accident and, if it's serious, we might be left unable to work.

How would you, your family or your business cope if you were permanently disabled?

## WHAT IS TOTAL PERMANENT DISABLEMENT?

**TOTAL PERMANENT DISABLEMENT (TPD)** cover can provide a lump-sum payment, and financial peace of mind, should you become totally and permanently disabled and unable to work, through accident or illness.

## WHAT DOES IT OFFER ME?

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- **CHOICE OF COVER** Total Permanent Disablement cover is available as either personal or business protection, to suit your needs.
- **LUMP-SUM PAYMENT** This type of benefit pays a once-only lump sum with a maximum sum assured of \$5 million.
- **WORLDWIDE COVER** Provides cover anywhere in the world, 24 hours a day.
- **FINANCIAL ADVICE BENEFIT** Provides reimbursement of up to \$1,500 for financial advice received once a lump-sum payment has been made.
- **TERM OF COVER** Renewable to age 65 or to age 70.
- **ELIGIBLE ENTRY AGES** 16 years to 60 years.
- **TYPES OF COVER** There are two types of TPD cover available, depending on your occupation: 'Any Occupation' and 'Own Occupation'.

# WHY TOTAL PERMANENT DISABLEMENT?

If you had an accident or illness that seriously affected your ability to work, what would happen to your partner, children, business, home and/or lifestyle?

Total Permanent Disablement (TPD) cover pays you a lump sum, and you can choose how to spend it. It might be paying off the mortgage, improving access to your home and workplace, or ensuring your business survives.

## WITH TPD COVER, YOU HAVE THE CHOICE OF PERSONAL OR BUSINESS COVER, OR BOTH, DEPENDING ON YOUR NEEDS.

### PERSONAL

- **THE UNEXPECTED** Accidents do happen. Four out of 10 New Zealanders suffer some type of disability or long-term illness before age 65.\*
- **PAY OFF YOUR MORTGAGE** Whatever happens, you'll have resources to contribute to your home loan or other debts, helping to safeguard your family's future.
- **MEDICAL EXPENSES** The lump-sum payment can cover the cost of ongoing medical treatment and possible modifications to your home or work environment.
- **MAINTAINING YOUR LIFESTYLE** Without the ability to earn, you'll still need to pay the bills and everyday living expenses.
- **BEST AVAILABLE CARE** Employing a full-time caregiver is often necessary, but can be expensive. A lump sum can assist with the cost.

### BUSINESS

- **BUSINESS CONTINUITY** The lump sum can assist your business to continue operating.
- **REPLACEMENT COVER** The short-term survival of your business may depend on recruiting a qualified replacement or retraining an existing employee.
- **SUCCESSION PLANNING** If you are unable to continue in the business, this benefit will provide valuable assistance and time to plan, should you choose to trade on or wind up.
- **MEDICAL EXPENSES** The lump-sum payment can cover the cost of ongoing medical treatment and ease the strain on your business.

\* Davies Financial and Actuarial Limited

**TOTAL PERMANENT DISABLEMENT** is where, as a result of accident or illness, you are so incapacitated that you:

- Cannot do your own job or (where applicable) another job to which your skills may be suited; or
- Suffer loss of limbs or sight; or
- Cannot perform at least two of the following activities without the physical assistance of someone else:
  - Bathing and showering
  - Dressing and undressing
  - Eating and drinking
  - Using a toilet
  - Moving from place to place by walking, in a wheelchair or with a walking aid,

or, alternatively, you are unable to perform one of the activities noted above and your intellectual capacity has reduced or deteriorated to such an extent that you require permanent and constant supervision.



## TOTALCAREMAX TPD CAN BE SET UP IN ONE OF TWO WAYS...

TYPE OF COVER	HOW IT WORKS	WHY IT'S IMPORTANT
<b>TPD Accelerated</b>	The TPD sum insured is treated as an early or, in other words, 'accelerated' payment of any life cover the life assured has with TotalCareMax.	This effectively reduces the life cover sum assured and is an affordable way to ensure you get the cover you need.
<b>TPD Standalone</b>	The TPD sum insured, when paid as a claim, is in no way linked to any life cover the insured has with TotalCareMax. Your TPD claim is regarded as a standalone payment.	You don't need to have life cover to still get the protection TPD provides. You may have life cover with Sovereign and its value can be preserved in the event of a claim.

## TOTALCAREMAX TPD HAS A BUILT-IN BENEFIT...

TYPE OF COVER	HOW IT WORKS	WHY IT'S IMPORTANT
<b>Financial Advice Benefit</b>	If Sovereign pays a claim under this benefit, then Sovereign could reimburse you for financial advice fees of up to \$1,500 including GST. This is a one-off payment.	Where needed, this benefit can provide a small sum to help fund some of the costs of obtaining professional advice.

## TOTALCAREMAX TPD HAS TWO TYPES OF COVER...

TYPE OF COVER	HOW IT WORKS	WHY IT'S IMPORTANT
<b>Own Occupation</b>	It is unlikely you will ever be able to work in your own occupation.	When taking out a TotalCareMax TPD policy, it's important to understand the different occupation definitions and how this influences the cover provided. There is potentially an impact on whether a claim can be made or not, and the pricing of policies do reflect this. 'Own occupation' policy is the most comprehensive and clear-cut form of cover, whilst 'any occupation', being broader, has a lower premium.
<b>Any Occupation</b>	Being so incapacitated that it is unlikely you will ever be able to work in your own occupation or ever engage in any other occupation/gainful employment, for which you are reasonably suited.	

## TOTALCAREMAX BUSINESS TPD HAS AN ADD-ON FEATURE...

TYPE OF COVER	HOW IT WORKS	WHY IT'S IMPORTANT
<b>Business Safeguard Facility (Accelerated only)</b>	On each occasion that your financial interests in the business, your loan guarantee or your value to the business, increases you can write to Sovereign asking us to increase the Total Permanent Disablement benefit in question, without the need to provide medical evidence.*  *Conditions apply	We make it easy for your cover to keep pace with changes in your business responsibilities.

## OPTIONAL ADD-ON BENEFITS FOR TOTALCAREMAX TPD

TYPE OF COVER	HOW IT WORKS
<b>Specialist and Diagnostic Testing</b>	Gives you the freedom to select the best specialist available and helps you to avoid a long wait for essential treatment. This benefit is designed to pay for your specialist consultations, such as oncologist and cardiologist consultations, as well as diagnostic procedures, such as MRI and CT scans. It covers up to \$3,000 per life assured, per policy year. It also provides access to Best Doctors® (a New Zealand first).
<b>Waiver of Premium</b>	Can remove the burden of paying premiums when you are unable to work due to total disability, saving you money when you need it most. Depending on your financial situation, you can choose from a range of waiting periods before your premiums are waived.

## FOOD FOR THOUGHT

**ONE IN EIGHT PEOPLE** will have a stroke. It is the leading cause of major disability in New Zealand and the third most common cause of death. Every year, about 7,000 people in New Zealand have strokes (20 people per day).<sup>1</sup>



**THE UNIVERSITY OF AUCKLAND** has revealed a 40% decline in the number of deaths after stroke in the total population of Auckland, New Zealand, over the past 25 years. However, as the death rate declines, there has been a significant increase in the number of patients with an impaired level of consciousness and mobility following a stroke.<sup>2</sup>

**SOVEREIGN HAS PAID** a total of \$7,070,000 in Total Permanent Disablement claims.<sup>3</sup>

**ONE IN FIVE MALES AND ONE IN SEVEN FEMALES** between the ages of 30 and 64 will suffer a critical illness.<sup>4</sup>



Sources:

1 The Stroke Foundation of New Zealand, 2007

2 The George Institute for International Health, in collaboration with Auckland City Hospital and The University of Auckland, 2007

3 Sovereign Claims Department, 2009

4 Source: Gen Re LifeHealth 'Australian Critical Illness Survey', 2008

# 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.

One in every five New Zealanders over the age of 15 years has a relationship with Sovereign.<sup>1</sup>

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
- One of New Zealand's largest workplace risk insurers
- One of the largest companies in New Zealand for total funds under management, managing over \$2.5 billion (as at 30 June 2010).



## 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 any other life insurer in New Zealand – providing our customers with financial support in their times of need. During the year ended June 2010, Sovereign paid out over \$272 million in all claims. Overall, Sovereign pays 97% of all claims.<sup>2</sup>

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.

<sup>1</sup> Census 2006 – Statistics New Zealand

<sup>2</sup> Sovereign Claims Department, June 2010

**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 offered by Sovereign, please 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, nor any of the products issued by Sovereign or its subsidiaries.

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