



TotalCareMAX

LIFE COVER

ARE YOU TAKING THE LEAD IN YOUR LIFE?

We may like to think 'it will never happen to us' but the reality is that some of us will die, prematurely, leaving family and loved ones behind. So, have you made plans to ensure that your family or business can survive without you?

WHAT IS LIFE COVER?

LIFE COVER protects the lifestyle and future of your family and loved ones if you die. Would your family cope with paying the monthly bills or making 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.

WHAT DOES IT OFFER ME?

You have the choice of Personal or Business Life Cover to suit your needs.

- **TERMINAL ILLNESS** Can provide an early payment of your Life Cover Benefit if you are diagnosed as being terminally ill and likely to 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** Pays an immediate lump sum of up to \$15,000 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** Can pay an accelerated benefit of up to \$2,000 when a child of the life assured dies as a result of an accidental injury, 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.

WHY LIFE COVER?

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

LIFE COVER IS AVAILABLE WITH THE FOLLOWING OPTIONS:

PERSONAL OR BUSINESS COVER, depending on your needs.

FAMILY PROTECTION BENEFIT 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.

ACCIDENTAL DEATH BENEFIT Provides a lump sum should you die as a result of accidental injury.

WHAT ARE THE BENEFITS?

PROTECTING YOU AND YOUR FAMILY		
LIFE COVER BENEFIT (LUMP-SUM PAYMENT)	Repaying the mortgage	If the unexpected happens, there will be funds available 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.
	Funeral expenses	Your family will be protected from the significant cost of a funeral and related expenses. Sovereign Personal Life Cover can also provide a funeral benefit of up to \$2,000 if your child should die as a result of an accidental injury.
FAMILY PROTECTION BENEFIT (MONTHLY PAYMENT)	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.
ACCIDENTAL DEATH BENEFIT (LUMP-SUM PAYMENT)	Cover without high cost	Because the cover relates to death by specified circumstances, we are able to keep the cost of premiums down.
	If you have a more active lifestyle	This benefit is ideal for younger people with active lifestyles, for whom death by illness is less likely.
	Accidents happen away from home	Some of us choose to travel the globe frequently and, in doing so, increase the chance of being exposed to accidents.
PROTECTING YOU AND YOUR BUSINESS		
LIFE COVER BENEFIT (LUMP-SUM PAYMENT)	Business continuity	If you have a business, the funds from your Life Cover can 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 your business 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 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 a business partner dies, or suffers from a terminal illness.

BUILT-IN FEATURES OF TOTALCAREMAX LIFE COVER

Feature	How it works	Why it's important	Personal	Family Protection Benefit	Accidental Death	Business
Terminal Illness Benefit	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 make the most of the time you have left with your family and loved ones.	✓			✓
Financial Advice Benefit	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 Benefit	This pays an immediate lump sum of up to \$15,000 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 the lesser of a lump sum of \$15,000 or the monthly benefit.	This gives speedy access to a lump sum at a stressful time. The payment is often used to cover funeral, travel, accommodation and/or counselling costs.	✓	✓		
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 ■ Have business interests increase (Business only) ■ 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 Benefit	You can apply to 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 guarantee increases, 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.				✓
Specialist and Diagnostic Testing Benefit	Specialist and Diagnostic Testing 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.	This benefit gives you the freedom to select the best specialist available and helps you to avoid a long wait for essential treatment. It also provides access to Best Doctors® (a New Zealand first).	✓	✓	✓	
Waiver of Premium Benefit	Waiver of Premium 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.	With Waiver of Premium cover, you'll have one less expense to think about come claim time.	✓	✓	✓	✓

WHAT ARE YOUR PREMIUM OPTIONS?

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

PREMIUM OPTIONS

- **RATE FOR AGE** – where your premium increases each year in line with your age
- **LEVEL FOR 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.

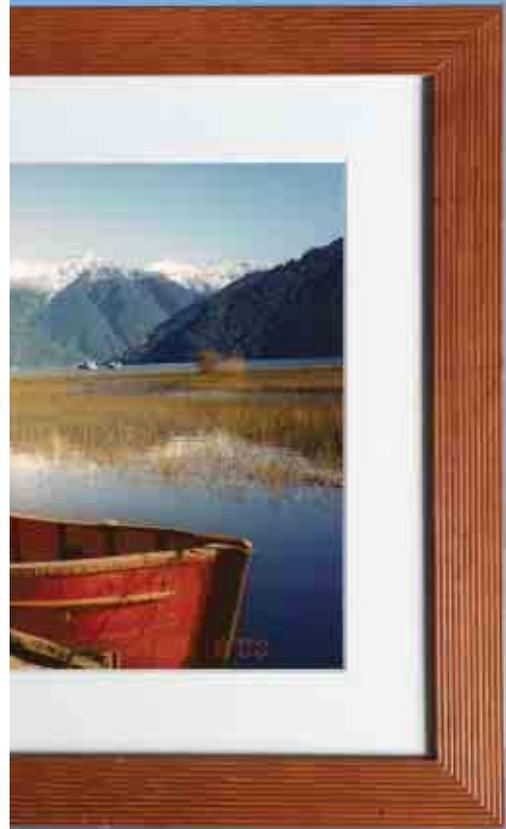
If your cover doesn't change, your premiums will remain the same for the period you have selected. Even if there is a change in the underlying rates, your premium will remain the same until the end of the selected period.

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.

Rate for Age premiums are usually a cheaper option when you first take out cover, during the years you are likely to have the greatest demands on your income. This means that you pay less during the time when you are most likely to need protection – to cover your mortgage or other debts should something happen to you. This frees up more cash to put towards paying off your debt faster or to cover your other insurance needs.

Once you have paid off your debt, you may want to reassess your insurance needs and how your premiums are structured, to make sure you have the most appropriate solution for your needs at the time.

LIFE COVER FIGURES are based on a 35-year-old male, non-smoker, insured for \$500,000.



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.

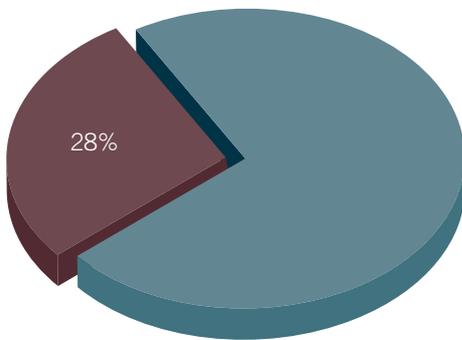
FOOD FOR THOUGHT

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

CANCER-RELATED DEATHS

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



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)



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.¹

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.²

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.

¹ Census 2006 – Statistics New Zealand

² 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.

LIFE INSURANCE • HOME LOANS • INVESTMENTS

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