

Life Cover & Life Income Cover

What is Life Cover & Life Income Cover?

Life Cover is an insurance that pays you a lump sum if you die or are diagnosed with a terminal illness. Life Income Cover pays a monthly benefit for a period of time.

Why do you need Life Cover & Life Income Cover?

Life Cover or Life Income Cover is an easy and cost-effective way to provide for your family if you die or are diagnosed with a terminal illness. Once it's in place you can have peace of mind that your family will be looked after when you have gone.

How does it work?

You can choose to receive your money as a lump sum payment (Life Cover), as a monthly payment (Life Income Cover), or a bit of both. Some examples of how this money can help are:

- subsidise a lost income
- pay off the mortgage or other debts
- provide financial 'breathing space' for your loved ones
- pay for education and healthcare costs for your family in the future
- pay for funeral expenses.

Life Cover & Life Income Cover overview

Entry criteria:



Minimum entry **age 10**

Maximum entry **age 70**
(age 55 for Life Cover level to age 65 premium option)

Cover amount:



No maximum cover amount

Cover term:



To **any age**

Life Cover & Life Income Cover do not expire and are payable on death or terminal illness at any age.

Payment terms:



For Life Income Cover you can choose one of the following payment terms:
5, 10, 15, 20, 25 or 30 years.

Life Cover - Built-in benefits

Life Cover provides the following benefits that are built-in:

Benefit	What is it?	How it works	Why it's important
Terminal Illness Benefit	An early payment of the Life Cover sum insured if you're diagnosed as terminally ill.	If you're diagnosed as likely to die within 12 months, the full Life Cover sum insured may be payable. In this event no further Life Cover is payable.	Provides financial security and some comfort at a time when there may be little or no income for the family.
Bereavement Support Benefit	An accelerated payment up to \$25,000 to cover funeral expenses.	An acceleration of up to \$25,000 of the Life Cover sum insured upon notification of your death, to assist with funeral expenses. The Life Cover sum insured will be reduced by any Bereavement Support Benefit payment made. The remaining balance of the Life Cover sum insured may be payable once a full claim assessment is completed and accepted.	Provides immediate financial assistance for your family to make funeral arrangements.
Financial and Legal Advice Benefit	An additional payment of up to \$2,500 for reimbursement of financial planning or legal advice fees.	This benefit is paid as a reimbursement of fees for financial planning and/or legal advice obtained for the use and protection of the Life Cover sum insured paid.	Allows for consultation of a financial planner or legal professional (barrister/lawyer/solicitor) if you require financial or legal advice in regards to how to invest the benefit paid.
Funeral Transfer Benefit	Cover for transport costs up to \$20,000 to bring your body back to New Zealand if you die while overseas.	If you die whilst overseas, we'll reimburse the costs of bringing your body back to New Zealand, up to \$20,000.	Peace of mind knowing that if you die while overseas your loved ones can get you home immediately.
Life Events Benefit	Ability to increase your cover by up to \$250,000 after certain 'life events' without providing any further evidence of your health.	These events include marriage or civil union, divorce or legal separation, full-time care of a dependent relative, having a child, an increase in annual salary, taking out a mortgage or purchasing property. For a full list of events covered, please refer to policy wordings. The maximum increase under the Life Events Benefit during the duration of the contract is limited to 75% of the original Life Cover sum insured. You must apply for the Life Events Benefit within 180 days of the event occurring, or within 60 days of the policy anniversary date after the event occurring. This benefit expires on your 60th birthday.	Allows you to keep your insurance up to date with your changing lifestyle, without providing any further evidence of your health.

What's not covered?

Intentional self-inflicted harm including suicide or attempted suicide within the first 13 months of the policy commencement.



Benefit details

Life Cover & Life Income Cover provide several benefits that are built-in to the cover as well as some options you can choose to add at an additional cost. So it's easy to tailor your Life Cover & Life Income Cover to suit your needs and budget.

[Open out for more details on the benefits »](#)

Premium details

Minimum premium:



\$20 per month
(incl. policy fee)

Payment frequency:



Weekly, fortnightly,
monthly, half-yearly,
annually

Payment method:



Direct debit,
credit/debit card,
annual cheque

Premium details cont...

Premium review structure

There are a number of options available to you regarding how your premium review periods can be structured. Your adviser will work with you to help you choose the best premium review period to suit your needs.

Under Life Cover and Life Income Cover any 1 of the following premium review periods can be selected.

- **1 Year** - Premiums will adjust each year on your policy anniversary in line with your increasing age and any underlying premium rate changes that have occurred since your last policy anniversary date.

- **5 Year** - Assuming your cover doesn't change, your premiums will remain the same for each 5 year period.

The underlying premium rate is guaranteed which means if there is a change in the underlying premium rates, your premium will remain the same until each 5th policy anniversary.

- **5 Year 5% Stepped** - Your premiums will increase by a fixed rate of 5% each year on your policy anniversary for 5 years (assuming your cover doesn't change).

The underlying premium rate of 5% is guaranteed for each 5 year period.

- **10 Year** - Assuming your cover doesn't change, your premiums will remain the same for each 10 year period. The underlying premium rate is guaranteed which means if there is a change in the underlying premium rates, your premium will remain the same until each 10th policy anniversary.

- **To Age 65 / 80** - Assuming your cover doesn't change, premiums will remain the same until the policy anniversary date following your 65th or 80th birthday (depending on which premium review period you have selected). Your premiums will increase annually thereafter.

The underlying premium rate is guaranteed which means if there is a change in the underlying premium rates, your premium will remain the same until the end of your selected premium review period.

Some facts to think about



Every 90 minutes a New Zealander dies from coronary heart disease.

(National Heart Foundation 2017)



Every year, **more than 600 women** die from breast cancer in New Zealand – almost two every day.

(Breast Cancer Aotearoa Coalition 2018)



Cancer is the leading cause of death in New Zealand. **30% of all deaths** are cancer related.

(Ministry of Health - Mortality 2015 Data Tables)

If you're still not sure, ask yourself.

If I was to die tomorrow, would my family have enough money to cope now and in the future?

If 'no', then now is a good time to talk to your financial adviser.

Life Income Cover - Built-in benefits

Life Income Cover provides the following benefits that are built-in:

Benefit	What is it?	How it works	Why it's important
Terminal Illness Benefit	An early payment of the Life Income Cover if you're diagnosed as terminally ill.	Payment of the monthly sum insured will commence, if you have been diagnosed as likely to die within the next 12 months.	Provides financial security and some comfort at a time when there may be little or no income for the family.
Bereavement Support Benefit	An accelerated payment of up to 1 month's Life Income Cover to cover funeral expenses.	An acceleration of the lesser of the first month's Life Income Cover sum insured or \$25,000 upon notification of your death, to assist with funeral expenses. The monthly benefit will commence once a full claim assessment is completed and accepted.	Provides immediate financial assistance for your family to make funeral arrangements.
Financial and Legal Advice Benefit	An additional payment of \$2,500 for reimbursement of financial planning or legal advice fees.	The benefit is paid as a reimbursement of fees for financial planning and/or legal advice obtained for the use and protection of the Life Income Cover sum insured paid.	Allows for consultation of a financial planner or legal professional (barrister/lawyer/solicitor) if you require financial or legal advice in regards to how to invest the benefit paid.
Funeral Transfer Benefit	Cover for transport costs to bring your body back to New Zealand if you die while overseas.	If you die whilst overseas, we'll reimburse the costs of bringing your body back to New Zealand, up to 3 times the monthly Life Income Cover sum insured.	Peace of mind knowing that if you die while overseas your loved ones can get you home immediately.
Life Events Benefit	Ability to increase your cover by up to \$750 per month after certain 'life events' without providing any further evidence of your health.	These events include marriage or civil union, divorce or legal separation, full-time care of a dependent relative, having a child, an increase in annual salary, taking out a mortgage or purchasing property. For a full list of events covered, please refer to policy wordings. The maximum increase under the Life Events Benefit during the duration of the contract is limited to 75% of the original Life Income Cover sum insured. You must apply for the Life Events Benefit within 180 days of the event occurring, or within 60 days of the policy anniversary date after the event occurring. This benefit expires on your 60th birthday.	Allows you to keep your insurance up to date with your changing lifestyle, without providing any further evidence of your health.

Life Cover - Optional benefit

Optional benefit that you can choose to add for an additional premium:

Optional benefit	What is it?	How it works	Why it's important
Optional Guaranteed Insurability	Allows you to increase your cover by up to \$200,000 on every second anniversary date without providing any further evidence of your health.	It allows you to increase the Life Cover sum insured on every second anniversary date up to a maximum of 25% of the underwritten sum insured or \$200,000 (whichever is greater) without any further evidence of health. The total maximum increase available is 2 times the underwritten Life Cover sum insured up to \$1,000,000. The Optional Guaranteed Insurability must be exercised within 30 days of the applicable policy anniversary date. This option expires on the insured person's 60th birthday.	Allows you to keep your insurance up to date with your changing lifestyle, without providing any further evidence of your health.

Life Income Cover - Optional benefit

Optional benefit that you can choose to add for an additional premium:

Optional benefit	What is it?	How it works	Why it's important
Optional Guaranteed Insurability	Allows you to increase your cover every 2 years by up to 25% without providing any further evidence of your health.	It allows you to increase the Life Income Cover sum insured on every second anniversary date up to a maximum of 25% of the underwritten sum insured without any further evidence of health. The total maximum increase available is 2 times the underwritten Life Income Cover sum insured or \$5,000 monthly. The Optional Guaranteed Insurability must be exercised within 30 days of the applicable policy anniversary date. This option expires on the insured person's 60th birthday.	Allows you to keep your insurance up to date with your changing lifestyle, without providing any further evidence of your health.



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