

PROTECTION

PERSONAL



# REAL Income Protection



THE REAL LIFE  
COMPANY

## What is it?

REAL Income Protection provides you with a monthly benefit if you are unable to work due to disability from sickness or an injury. It is based on an amount either agreed at the time of your application or 75% of your gross income at time of claim.

## Why do I need it?

Life is unpredictable. Being unable to work because of an accident or illness during your working life is a real possibility. REAL Income Protection allows you to focus on your recovery without the added stress of financial worries.

## Main benefits

### Increasing Income Benefit

Increase your cover (by up to 10%) when your income increases with no medical underwriting.

### Death Benefit

You automatically qualify for a benefit equal to 3x your monthly benefit (maximum of \$30,000).

### Booster Benefit (Optional)

Increases your benefit amount by 1/3 of the monthly amount for the first three months of claim following your selected Wait Period.

### Involuntary Redundancy Benefit (Optional)

In the event of a redundancy, you receive a monthly benefit up to \$2,500 payable for 6 months after 30 days of unemployment. A 6 month stand-down from commencement of the policy.

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## Ideal for people who:

Want to protect their income.

## Key features



### Choose from two types of cover:

- Agreed Value
- Indemnity Value



**Partial Disability Benefit** - you will receive a partial benefit if you are totally disabled for 7 days or more and return to work in a reduced capacity. Your benefit will be based on the reduction in work hours and paid in arrears.



**Severe Disability Benefit** - receive an additional 1/3 of your benefit if you have been unable to work for six consecutive months (Activities of Daily Living apply).



## Built-in features

Choose from two types of cover:

- **Agreed Value**

Gives you certainty at claim time. Cover is agreed at time of application and is based on up to 62.5% of your income at time of application.

- **Indemnity Value**

Gives you long term affordability and flexibility as the benefit is based on 75% of your gross income at time of claim, or your monthly benefit, whichever is the lesser. Defined as your best consecutive 12 months earned over the last three years.

### Increasing Income Benefit

Increase your cover up to 10%, when your income increases with no medical underwriting.

### Death Benefit

Automatically qualify for a benefit equal to 3x your monthly benefit (maximum of \$30,000). **No claim benefit bonus qualifier.**

### Partial Disability Benefit

You will receive a partial benefit if you are totally disabled for 7 days or more and return to work in a reduced capacity. Your benefit will be based on the reduction in work hours and paid in arrears.

### Severe Disability Benefit

Receive an additional 1/3 of your benefit if you have been unable to work for six consecutive months (Activities of Daily Living apply).

### Waiver of Premium Benefit

You will not be required to pay any premiums while your monthly benefit is being paid.

### Pregnancy Premium Waiver

Waive your premiums for up to six months in the event of pregnancy.

### Guarantee of Renewability

Up to age 65 or 70 years provided your premiums are paid.

## Optional features

### Inflation Adjusted

Your cover level will be adjusted annually to reflect the inflation rate at the time, based on the Consumer Price Index (CPI).

### Booster Benefit

Increases your benefit amount by 1/3 of the monthly amount for the first three months of claim following your selected Wait Period.

### Involuntary Redundancy Benefit

In the event of a redundancy, you receive a monthly benefit up to \$2,500 payable for 6 months after 30 days of unemployment. A 6 month stand-down from commencement of the policy.

In 2013, **24% of New Zealanders were disabled**. Of this **21%** were aged between **15 to 64**.

Source: Statistics New Zealand; The New Zealand Disability Survey 2013.

After just **4 weeks of a loss in income**, **55%** of New Zealand households will be unable to cover their expenses.

Source: Financial Services Council 2013.



## No claim benefit bonus

If you haven't made a claim after three years, your death benefit, occupational retraining benefit and rehabilitation benefit amounts will be doubled.

## 14 days cooling down period

If the cover is not what you expected or you change your mind, you can cancel your policy and we will refund any premiums paid.

### Recurrent Disability Benefit

Bypass your waiting period if the same disability returns within 12 months.

### Bed Confinement Benefit

After three days of continuous bed confinement you will receive a daily payment equivalent to 1/30th of your monthly benefit.

### Occupational Retraining Benefit

Be reimbursed for up to 12 times your monthly benefit for an AIA approved retraining course. **No claim benefit bonus qualifier.**

### Rehabilitation Benefit

Receive up to six times your monthly benefit to cover approved specialist equipment or home alterations. **No claim benefit bonus qualifier.**

### Home Care Benefit

If full time care is required, you will receive up to six months of your monthly benefit to a maximum of \$2,500 per month.

### Return to Home Benefit

If the life assured suffers a disability while working outside of New Zealand, and we accept your claim, we will pay 3 times the sum assured or the cost of an economy airfare to New Zealand.

### Leave Without Pay Benefit

You can choose to suspend your premiums and cover for up to 12 months after which full reinstatement and no extra waiting period will apply.

### Unemployed

If you're unemployed and suffer a disability within 12 months, the normal assessment applies.

## Case study

58-year-old Jeff was rushed to hospital with severe chest pain. He had angioplasty (surgery that restores normal blood flow through a clogged artery), but continued to have ongoing pain despite his treatment. Normally, Jeff could have expected to be back at work within weeks following his surgery, but his recovery was not as quick as he'd hoped. Ten months following his first hospitalisation, he was still unwell and unlikely to be able to return to his job as an architect in the near future.

While all this was going on, Jeff's REAL Income Protection Cover helped with mortgage payments and living expenses for his family, which allowed Jeff to focus on his recovery.

The average  
New Zealander earns  
**\$1,085.48**  
a week.

Source: Statistics New Zealand;  
Labour Market Statistics March  
2015 Quarter.

In the event you are unable to work as you have been **disabled for 6+ months** the maximum disablement allowance you can receive from the government is **\$61.69 a week**. In the event you are unable to work due to a sickness the government Jobseeker Support allowance is limited up to **\$175.10 a week**.

Source: Work and Income New Zealand as at 1st April 2015.



**THE REAL LIFE  
COMPANY**

Life

Disability

Health

Trauma

Income Protection

Mortgage , Income and Rent

## At a glance

### Qualifying Age

16 - 59 years (occupation class 1&2)  
16 - 54 years (occupation class 3 ,4, 5)

### Expiry Age

Renewable to age 65 or 70 years

### Benefit Type

Monthly in advance

### Benefit Period

2 years, 5 years, to age 65 or 70 years

### Cover Amounts

Max - \$25,000 per month

### Premium Options

Yearly Renewable Term or Level to age 65  
(not guaranteed)

### Wait Period

4, 8, 13, 26, 52 or 104 weeks

### Inflation Adjusted (CPI)

Optional

### Offsets

Yes

### Wordwide Cover

Yes

## Contact us



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## Why AIA New Zealand?



AIA International Limited, trading as AIA New Zealand was given an "AA-" insurer financial strength rating by Standard & Poor's (Australia) Pty Limited.

The rating scale is as follows:

AAA - Extremely strong	A - Strong	BB - Marginal	CCC - Very weak	R - Regulatory action
AA - Very strong	BBB - Good	B - Weak	CC - Extremely weak	NR - Not rated

### Disclaimer

AIA New Zealand has made all reasonable efforts to ensure that the information in this guide is correct as at the date of printing. The information contained in this guide is a summary only and should not be regarded as a full explanation of the contract. Please refer to the terms and conditions of the policy document for full details of the contract and the limitations and exclusions that apply. All applications are subject to individual consideration. Special terms, exclusions and premium loading may apply to individual applications.

A copy of our Qualifying Financial Entity disclosure statement is available on request, or you can view it online at aia.co.nz.