

DISABILITY INCOME PROTECTION

Income Protection

Safeguards your income when you're unable to work.



WHY INSURE YOUR INCOME?

After your health, your ability to earn is one of your most important assets.

Whether you are independent or have a family, your ability to earn is an asset worth protecting, because we believe if your health were to suffer a setback, your finances and lifestyle shouldn't have to.

What is Disability Income Protection?

Disability Income Protection can provide you with a monthly payment if you are unable to work due to sickness or injury.

Types of insurance

Agreed Value:

This cover type provides an agreed monthly benefit based on a proportion of your income (before tax) disclosed at time of application. This means that you don't need to supply proof of pre-disability income at claim time in order to receive a benefit.

Indemnity:

This cover type pays a monthly benefit based on a proportion of your pre-disability income (before tax) at claim time. The benefit is paid up to a specified maximum selected at the time of application. This means that you need to supply proof of pre-disability income when you lodge a claim.

Loss of Earnings:

Loss of Earnings cover offers you the flexibility of either an Agreed Value or Indemnity style benefit. At claim time, you have the option to receive an Agreed Value style benefit or you can elect to provide evidence of your pre-disability income in order to receive a potentially higher benefit.

Types of payments

Total Disability Income Benefit:

This can provide you with a monthly payment if you are unable to work or perform the key income producing duties, due to illness or injury, for more than ten hours a week. If you have been on leave without pay for more than 12 months, or unemployed for more than 3 months prior to becoming totally disabled, then the maximum payable will be \$1,000 per month less offset.

Partial Disability Income Benefit:

This provides you with a partial payment offering financial relief as you recover from the condition and transition back to work.

Partial Disability Bridging Benefit:

If you transition from a Total Disability Income Benefit to a Partial Disability Income Benefit, you may receive a Partial Disability Bridging Benefit. This will be a

payment equal to one third of the final Total Disability Income Benefit payment.

Enhanced Partial Disability Income Benefit:

To help ease your transition, you may be eligible for a monthly top-up payment, paid for up to 12 months while on claim.

What should I know?

Offsets:

The amount of benefit payable under your Disability Income Protection cover will be reduced by any other income replacement benefits received in connection with the disability including ACC payments and any earned income (including sick leave of up to 10 days).

Passive income, such as investment or rental income, will not reduce the benefit payable to you.

Waiting periods:

You have a choice of seven waiting periods, before you receive the benefit: 2, 4, 8, 13, 26, 52 or 104 weeks.

Benefit payment periods:

The benefit payment period – the amount of time you receive the benefit – can be for one, two or five years or to age 65 or 70.

Worldwide Cover:

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

The benefit amount payable may be subject to information received at claim time and payments may reduce by other income received. Please refer to our policy wording for more details.

WHAT'S INCLUDED WITH DISABILITY INCOME PROTECTION

✓ Recurrent Disablement Benefit

If within 12 months of your recovery, you become totally disabled again through a related illness or injury, we will waive the waiting period on your Disability Income Protection Benefit.

✓ Vocational Retraining Benefit

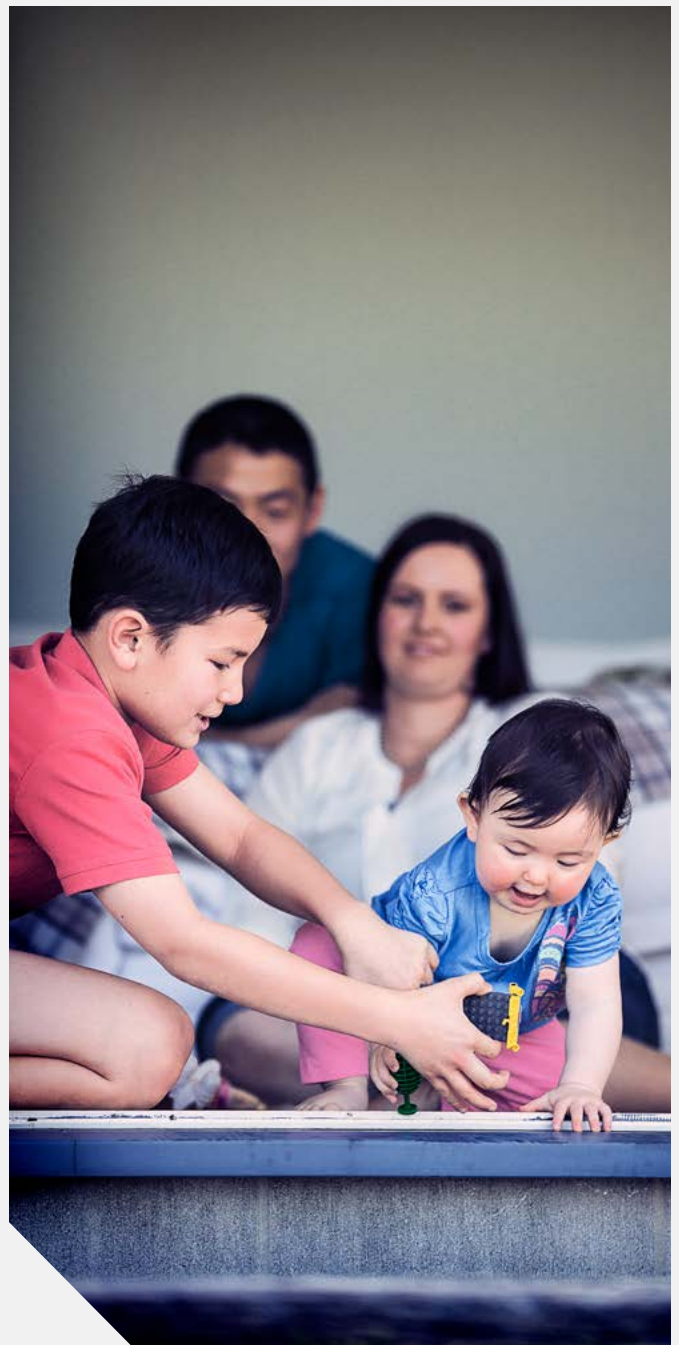
Provides funding for Sovereign-approved retraining programmes. This can provide you the opportunity to gain a new set of skills or qualifications and aids your return to work.

✓ Home Modification or Equipment Expenses Benefit

A lump sum of up to six times your monthly benefit is available to pay for approved specialised equipment or home alterations required as a result of your total disability.

✓ Bed Confinement Benefit

If you are confined to bed during the waiting period, at home or in a hospital, and under full-time care, you could be eligible for a benefit payment for each complete 24-hour period after the first 72 hours of bed confinement (Premier Cover pays from the first day).



✓ Suspension of Cover Benefit

Should you go on parental leave, or leave without pay, you are able to suspend your cover for up to 12 months.

✓ Future Insurability Benefit

You can apply to increase your sum assured at every third policy anniversary without providing further medical information. Note that limits and conditions apply and every increase in cover will require an increase in premium.

✓ Back to Work Payment

If you return to work between 12 and 24 months after claiming, you could receive a lump-sum payment equal to three times your monthly benefit claim amount.

✓ Waiver of Premium

This can remove the burden of paying premiums when you are unable to work due to total disability. We will waive your premium payments, while your insurance remains in place. This benefit is automatically added on with your Disability Income Protection to help make sure you're financially looked after in your time of need.

A note on exclusions

Disability Income Protection (including the built-in benefits and optional benefits in this brochure) is subject to certain stand-down periods and exclusions. For more information about these and other exclusions and stand downs, please refer to the relevant policy wordings which can be found on Sovereign.co.nz or speak to your Adviser.



OTHER BENEFITS YOU CAN ADD ON

We understand everyone's needs are different. Below are some optional benefits you can add to your insurance to give support where you need.

Please note that these add-on benefit options are subject to their own terms and conditions, which differ from the Disability Income Protection Benefit. Please refer to the applicable policy document.

Mental Health Limitation

If you are totally disabled as a result of a mental health disorder, you may claim for a maximum of two years only.

Redundancy Cover

Provides you with a monthly payment up to six months if you are made redundant. Sovereign will not pay a benefit if you are made redundant within six months of your insurance commencing.

Retirement Protection

Helps you to continue to make your KiwiSaver contributions while you are on a total disability claim. It pays an agreed contribution directly to Inland Revenue and also enables you to continue receiving the member tax credits.

Claim Indexation Benefit

Your sum assured will increase every year, by the same percentage as the Consumer Price Index (CPI), keeping your claim payments in line with inflation.

Specialists and Diagnostic Testing with Best Doctors®

This benefit provides coverage up to \$5,000 per year for specialist consultations, diagnostic imaging and tests. Best Doctors® offers the chance to seek a second opinion from an international network of medical specialists.

Accidental Injury Cover

This optional benefit provides a single up-front payment, should you be injured accidentally. You can use it for whatever you need: covering treatment costs, getting taxis to work, hiring someone to help with children, or simply taking time off work to recover.

You choose how much cover you need, up to \$5,000 a month, and the lump sum you receive is based on the treatment you require. For example, a broken leg that requires a cast entitles you to a three month payment, totalling a maximum of \$15,000. This is paid as a lump sum once your claim is approved. Making a claim under this optional benefit is not affected by payments from ACC or other insurances you may have.

Extra Premier Cover

Upgrade with this optional benefit and get access to the financial support below:

> Extra Cash Benefit

Provides an additional benefit payment equivalent to one-third of the monthly benefit for three months.

> Permanent Disablement Benefit

Provides an additional benefit payment equivalent to one-third of the monthly benefit if you are permanently disabled.

> Home Care Benefit

Provides a benefit payment to cover the services of a full-time carer if you are totally disabled.

> Bereavement Grant

Provides a benefit payment for three times the monthly Total Disability Income Benefit if the life assured dies while on a total disability claim.

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SOVEREIGN

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"). None of the Banking Group, the Commonwealth Bank of Australia, any of their directors, or any other person, guarantees Sovereign or its subsidiaries, or any of the products issued by Sovereign or its subsidiaries. The information contained in this publication is general in nature and is not intended as advice. It may not be relevant to individual circumstances and before making any insurance decision, you should consult a professional Adviser. Copies of our disclosure statements are available on request, free of charge.