

Complete Disablement Cover



What is Complete Disablement Cover?

Insurance that provides a lump sum if you or a key person becomes completely or partially disabled due to illness or injury.

Why do you need Complete Disablement Cover?

Many of us invest our lifetime and a lot of money into building a successful business. Having Complete Disablement Cover means if you or a key person within your business becomes completely or partially disabled through illness or injury, your business has financial support to help it to continue to operate into the future or provide you with money to help buy or sell out.

Some examples of how this money can help are:

- › a cash injection to help your business continue operating
- › clearing business debt or loans
- › recruitment costs to find a replacement person
- › succession planning
- › executing a buy/sell agreement.

Complete Disablement Cover overview

Entry criteria:

Minimum entry **age 20**
Maximum entry **age 65**



(age 55 for Complete Disablement Cover 'level to age 65' and age 60 for Complete Disablement Cover 'level to age 70' premium option)

Cover amount:

Maximum cover amount



\$5,000,000 occupational definition (to age 65)

\$3,000,000 occupational definition (age 66-70)

\$3,000,001 - \$5,000,000 non-occupational definition (age 66-70)

Cover term: To **age 70**



Occupation classes:

1-3 'own' or 'any' occupation

4 'any' occupation

Your occupation class is determined by the work you do. Your financial adviser will be able to help you work out what occupation class will apply to you.

Accelerated

Complete Disablement Cover is 'accelerated' against Life Cover.

This means that in the event of a claim for Complete Disablement Cover, the amount paid will be deducted from the balance of the Life Cover sum insured.

The sum insured for any other accelerated covers may also be reduced.

Meaning of completely disabled

Complete Disablement Cover is offered on an 'own' occupation (for occupation classes 1-3) or 'any' occupation basis (occupation classes 1-4). The meaning of completely disabled depends if 'own' occupation or 'any' occupation applies. There is an extra premium payable for 'own' occupation.

The Complete Disablement Cover sum insured may be payable if you are completely and permanently disabled according to the following:

Occupational criteria

If 'own' occupation applies

- › You're unable to work and haven't worked in your pre-disability occupation for at least 3 months in a row due to illness or injury, and are unlikely to ever be able to work in your pre-disability occupation again; or
- › You're diagnosed with a specified condition, and are unlikely to ever be able to work in your pre-disability occupation again.

If 'any' occupation applies

- › You're unable to work and haven't worked in your pre-disability occupation for at least 3 months in a row due to illness or injury, and are unlikely to ever be able to work again in both your pre-disability occupation or any other gainful occupation that you're suitable for (based on your education, training or experience) and that has a salary that's more than 25 percent of the income you earned in the year before you became disabled; or
- › You're diagnosed with a specified condition, and are unlikely to ever be able to work again in both your pre-disability occupation or any other gainful occupation that you're suitable for (based on your education, training or experience) and that has a salary that's more than 25 percent of the income you earned in the year before you became disabled.

Specified Conditions

- › Alzheimer's disease
- › cardiomyopathy
- › dementia
- › end stage chronic lung disease
- › major head trauma
- › motor neurone disease
- › multiple sclerosis
- › muscular dystrophy
- › paralysis
- › parkinson's disease
- › primary pulmonary hypertension
- › severe rheumatoid arthritis
- › systemic lupus erythematosus (SLE) with lupus nephritis.

Non-occupational criteria

Regardless of whether or not you can continue to work, the full Complete Disablement Cover sum insured will also be paid if:

- 1 You've completely and permanently lost the use of two limbs. In this case, limb is a whole hand or whole foot.
- 2 You've completely and permanently lost the use of one limb and lost sight in one eye.
- 3 You've completely and permanently lost sight in both eyes.
- 4 You've permanently lost cognitive function and have had continuous care and supervision for 3 months or more, and are likely to need ongoing and continuing care immediately after that 3 months has passed.
- 5 You're permanently unable to perform at least two of the activities of daily living (listed below) without the help of another adult.
 - › bathing and showering
 - › dressing and undressing
 - › eating and drinking
 - › using a toilet for hygiene purposes
 - › moving from place to place by walking, wheelchair or with the assistance of a walking aid.



Benefit details

Complete Disablement Cover provides several benefits that are built into the cover as well as an optional benefit you can choose to add at an additional cost.

This makes it easy to tailor your Complete Disablement Cover to suit your needs and budget.

Premium details

Minimum policy premium:



\$20 per month (incl. policy fee).

Payment frequency:



Weekly, fortnightly, monthly, half-yearly, annually.

Payment method:



Direct debit, credit/debit card.

Premium review periods

There are a number of options available to you regarding how often you choose to have your premiums reviewed.

At the end of each premium review period, your premiums will be recalculated based on your sum insured, age-related changes and, if applicable, any changes to Chubb Life's protection premium rates or relevant laws.

Your adviser will work with you to help you choose the best premium review period to suit your needs.

Under Complete Disablement Cover any one of the following premium review periods can be selected.

- › **1 Year:** Your premiums will be recalculated on each anniversary date.
- › **5 Year:** Your premiums will remain at the same level for 5 years and will be recalculated on every 5th anniversary date. The protection premium rate is guaranteed for 5 years and your premiums will not be recalculated until the end of your premium review period.
- › **10 Year:** Your premiums will remain at the same level for 10 years and will be recalculated on every 10th anniversary date. However, any changes in Chubb Life's protection premium rates can change your premiums and these changes may apply on your policy's next anniversary date.
- › **To Age 65/70:** Your premiums will remain at the same level until the anniversary date after your 65th or 70th birthday (depending on your selection). Your premiums will be recalculated yearly thereafter. However, any changes to Chubb Life's protection premium rates can change your premiums and these changes may apply on your policy's next anniversary date.

Your premiums and your protection premium rates including for guaranteed premium periods may change if you change your cover.

What's not covered?

- › Intentional self-harm, including attempted suicide
- › Taking part in a criminal activity.

Built-in benefits

Complete Disablement Cover provides the following benefits that are built-in:

Benefit	What is it?	How it works	Why it's important
Complete Disablement Benefit	Payment of the full Complete Disablement Cover sum insured if you become completely disabled.	If you meet the definition of complete disability, the full Complete Disablement Cover sum insured may be payable.	Provides support to minimise the financial impact on the business as a result of your complete disability.
Partial Disablement Benefit	A partial payment for loss of sight in one eye or the loss of use of one limb.	If you meet any of the definitions for a partial disability, a partial payment of 25 percent of the Complete Disablement Cover sum insured up to \$100,000 may be payable. We'll subtract the amount we pay for a Partial Disablement Benefit from the Complete Disablement Cover sum insured.	Allows you to receive a partial payment if your situation doesn't qualify for a Complete Disablement Benefit.
Cover Conversion Option	Allows you to convert your Complete Disablement Cover to another policy if your circumstances change.	With the Cover Conversion Option, you can apply to convert an amount up to the Complete Disablement Cover sum insured under your policy to Complete Disablement Cover on a new policy without assessment of the life assured's health.	Allows you to keep your insurance terms should you have a need to convert your Complete Disablement Cover to another policy.
Support Person Accommodation and Transfer Benefit	Cover for costs of accommodation and transport for a support person to go with you if you need to travel away from your home area for treatment.	If a medical practitioner confirms you need treatment for your disability, where the treatment is not available within 50 kilometres from your main home and recommends that a support person goes with you, this benefit will pay \$200 for each night the support person stays with you for treatment, for up to 10 nights. This benefit will also reimburse you for reasonable public transport the support person uses to travel directly to and from the treatment for up to 10 nights.	You don't have to worry about the additional costs of having your loved one with you if treatment is unavailable locally.
Financial and Legal Advice Benefit	A reimbursement of up to \$2,500 for the costs of receiving professional advice.	The benefit is paid as a reimbursement of the costs of getting legal or financial planning advice about using money from a Complete Disablement Benefit claim.	Allows for consultation of a financial planner or legal professional if you require financial or legal advice in regards to how to use the benefit paid.
Waiver of 3-Month Disability Requirement	A waiver of waiting period if based on medical evidence the disability is expected to be permanent.	At our discretion, we'll waive the 3-month waiting period when assessing a Complete Disablement Cover Benefit claim if the following both apply. <ul style="list-style-type: none"> › In our opinion, the life assured has met all other requirements for payment of a Complete Disablement Benefit. › We expect the life assured to survive beyond 3 months after the disablement began. 	Removes the waiting period which allows you to get the cover you need earlier.

Optional benefits

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

Optional benefit	What is it?	How it works	Why it's important
Business Increase Option	Allows you to increase the monthly disability sum insured without further assessment of health if there's something that means you need to increase business insurance for you or a key person.	<p>You can increase your Complete Disablement Cover without providing any further evidence of health in the following circumstances:</p> <ul style="list-style-type: none"> › the value of your ownership of the business increased › your value as a key person to the business increased › the value of your share of the business loan or guarantee to the business increased. <p>The maximum amount that the sum insured can be increased by is the Business Increase multiple shown on your policy schedule (2, 3, 4 or 5) multiplied by the original sum insured. The total maximum sum insured cannot exceed \$5 million.</p> <p>You can apply for an increase once every policy year.</p> <p>This option expires on the life assured's 65th birthday.</p>	Allows you to keep your insurance up to date with your increasing business insurance needs without providing any further evidence of health.

Some facts to think about



In 2018, the incidence rate was **129 claims per 1,000 FTEs** for self-employed people compared to 98 claims per 1,000 FTEs for employees.

(Statistics New Zealand; Injury statistics - work-related claims: 2018)



There are an estimated 60,000 stroke survivors in New Zealand; many are disabled and in need of significant daily support.

(stroke.org.nz: 2018)



During the June 2018 quarter, there were **92,642 working-age people** (aged 18–64 years) in receipt of a Supported Living Payment.*

*A payment for people who have, or who are caring for someone with, a health condition, injury or disability that severely limits their ability to work on a long-term basis (Ministry of Social Development Supported Living Payment – September 2018 Quarter)

If you're still not sure, ask yourself

If you or a key person became completely disabled, would the business be able to continue operating?

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

Talk to your Financial Adviser

Call us on 0508 464 999

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