

# LIFE COVER & LIFE INCOME COVER



## What is Life Cover & Life Income Cover?

Insurance that pays a lump sum amount (Life Cover) or a monthly amount (Life Income Cover) if you die or are diagnosed with a terminal illness.





## 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 that's likely to result in death within the next 12 months. Once it's in place you can have peace of mind that your family will be looked after when you have gone.

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

<b>Entry criteria:</b>		<p>Minimum entry <b>age 10</b> Maximum entry <b>age 70</b> (age 55 for Life Cover 'level to age 65' and age 60 for Life Cover 'level to age 70' premium option)</p>
<b>Cover amount:</b>		<p>Maximum sum insured amount <b>No Maximum</b> for ages 16 years or older <b>\$50,000</b> for ages 10-15 years inclusive (individual consideration up to \$250,000 with appropriate financial justification)</p>
<b>Cover term:</b>		<p><b>To any age</b> Life Cover &amp; Life Income Cover do not expire and are payable on death or terminal illness at any age.</p>
<b>Payment term:</b>		<p>For Life Income Cover you can choose one of the following payment terms: <b>5, 10, 15, 20, 25 or 30 years.</b></p>

## What's not covered?

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

## 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.

## Premium details

**Minimum premium:**



\$20 per month  
(incl. policy fee)

**Payment frequency:**



Weekly, fortnightly,  
monthly, half-yearly,  
yearly

**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 Cigna's protection premium rates or relevant laws. Your premiums will change if you change your cover. 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 one of the following premium review periods can be selected.

## Premium details cont...

- › **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 5<sup>th</sup> 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.

- › **5 Year 5% Stepped** - Your premiums will increase by 5% on each anniversary date for 5 years and will be recalculated on every 5<sup>th</sup> 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 10<sup>th</sup> anniversary date.

The protection premium rate is guaranteed for 10 years and your premiums will not be recalculated until the end of your premium review period.

- › **To Age 65/70/80/100** - Your premiums will remain at the same level until the anniversary date after your 65<sup>th</sup>, 70<sup>th</sup>, 80<sup>th</sup> or 100<sup>th</sup> birthday (depending on your selection). Your premiums will be recalculated yearly thereafter.

The protection premium rate is guaranteed until your 65<sup>th</sup>/70<sup>th</sup>/80<sup>th</sup>/100<sup>th</sup> birthday and your premiums will not be recalculated until the anniversary date after the applicable birthday. (Not available under Life Income Cover)

## 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)

**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 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
<b>Life Cover Benefit</b>	Payment of the Life Cover sum insured if you die.	If you die, the full Life Cover sum insured may be payable.	Provides financial support for your family so that you can have a peace of mind that they will be looked after when you have gone.
<b>Terminal Illness Benefit</b>	An early payment of the Life Cover sum insured if you're diagnosed as terminally ill.	The full Life Cover sum insured may be payable if you're diagnosed with an illness or injury that is likely to result in death 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.
<b>Advance Terminal Illness Benefit</b>	An early partial payment of the Life Cover sum insured if you are diagnosed with one of the listed conditions.	If you are diagnosed with one of the listed conditions, an early payment of 30 percent of the Life Cover sum insured, up to \$300,000 may be payable to assist with any immediate expenses. We'll subtract the amount we pay under the Advance Terminal Illness Benefit from the Life Cover sum insured. The balance of the Life Cover sum insured may be payable once a full claim is submitted and accepted.	Provides financial assistance for any immediate expenses as a result of diagnosis.
<b>Bereavement Support Benefit</b>	An early payment of up to \$25,000 to cover funeral expenses.	If you die, an early payment of up to \$25,000 of the Life Cover sum insured may be payable immediately to assist with funeral expenses. We'll subtract the amount we pay under the Bereavement Support Benefit from the Life Cover sum insured. The balance of the Life Cover sum insured may be payable once a full claim is submitted and accepted.	Provides immediate financial assistance for your family to make funeral arrangements.
<b>Financial and Legal Advice Benefit</b>	A reimbursement of up to \$2,500 for the costs of receiving professional advice.	This benefit is paid as a reimbursement for the costs of getting legal or financial planning advice about using money from a Life Cover Benefit or Terminal Illness Benefit.	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.
<b>Funeral Transfer Benefit</b>	A reimbursement for the costs up to \$20,000 to bring your remains back to New Zealand if you die overseas.	If you die overseas, this benefit will reimburse the lesser of the cost of bringing your remains back to New Zealand or \$20,000.	Peace of mind knowing that if you die while overseas your loved ones can get you home immediately.
<b>Life Events Benefit</b>	Allows you to increase your sum insured by up to \$250,000 if you experience a certain life event, without further assessment of your health.	These certain life events include getting married or entering a civil union, giving birth to or legally adopting a child, getting an annual salary increase, taking out a mortgage or buying a property. For a full list of events covered, please refer to the terms and conditions of the Life Cover. All increases under this benefit can't be more than 75 percent of the original Life Cover sum insured. You must apply for the Life Events Benefit within 180 days of the event happening, or within 60 days of the anniversary date after the event happened. This benefit ends on your 60 <sup>th</sup> 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 – 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
<b>Life Income Cover Benefit</b>	Monthly payment of the Life Income Cover sum insured if you die.	If you die, the monthly Life Income Cover may be payable for the selected payment term.	Provides ongoing support for your family so that you can have a peace of mind that they will be looked after when you have gone.
<b>Terminal Illness Benefit</b>	An early payment of the Life Income Cover sum insured if you're diagnosed as terminally ill.	The monthly Life Income Cover sum insured may be payable if you're diagnosed with an illness or injury that is likely to result in death 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.
<b>Advance Terminal Illness Benefit</b>	An early payment of 3 times the monthly Life Income Cover sum insured if you're diagnosed with one of the listed conditions.	If you are diagnosed with one of the listed conditions, an early payment of 3 times the monthly Life Income Cover sum insured may be payable to assist with any immediate expenses.  The payment term will be reduced by 3 months on payment of the Advance Terminal Illness Benefit.	Provides financial assistance for any immediate expenses as a result of diagnosis.
<b>Bereavement Support Benefit</b>	An early payment of up to 1 month's Life Income Cover sum insured to cover funeral expenses.	If you die, an early payment for the first month's Life Income Cover sum insured up to \$25,000 may be payable immediately to assist with funeral expenses.  We'll subtract the amount we pay under the Bereavement Support Benefit from the first month's Life Income Cover sum insured. We'll pay the rest of the monthly sum insured once a full claim is submitted and accepted.	Provides immediate financial assistance for your family to make funeral arrangements.
<b>Financial and Legal Advice Benefit</b>	A reimbursement of up to \$2,500 for the costs of receiving professional advice.	This benefit is paid as a reimbursement for the costs of getting legal or financial planning advice about using money from a Life Income Cover Benefit or Terminal Illness Benefit.	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.
<b>Funeral Transfer Benefit</b>	A reimbursement for the costs to bring your remains back to New Zealand if you die overseas.	If you die overseas, this benefit will reimburse the lesser of the cost of bringing your remains back to New Zealand or 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.
<b>Life Events Benefit</b>	Allows you to increase your sum insured by up to \$750 per month if you experience a certain life event, without further assessment of your health.	These certain life events include getting married or entering a civil union, giving birth to or legally adopting a child, getting an annual salary increase, taking out a mortgage or buying a property. For a full list of events covered, please refer to the terms and conditions of the Life Income Cover.  All increases under this benefit can't be more than 75 percent of the original Life Income Cover sum insured.  You must apply for the Life Events Benefit within 180 days of the event happening, or within 60 days of the anniversary date after the event happened.  This benefit ends on your 60 <sup>th</sup> 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
<b>Optional Guaranteed Insurability</b>	Allows you to increase your sum insured every 2 years by up to \$200,000 without further assessment of your health.	<p>This option allows you to increase the Life Cover sum insured on every second anniversary date by up to the greater of 25 percent of the underwritten sum insured or \$200,000, without further assessment of your health. All increases under this option can't be more than the lesser of 2 times the underwritten Life Cover sum insured or \$1,000,000.</p> <p>The Optional Guaranteed Insurability must be used within 60 days of the relevant anniversary date.</p> <p>This option ends on your 60<sup>th</sup> birthday.</p>	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
<b>Optional Guaranteed Insurability</b>	Allows you to increase your sum insured every 2 years by up to 25 percent without further assessment of your health.	<p>This option allows you to increase the Life Income Cover sum insured on every second anniversary date by up to 25 percent of the underwritten sum insured, without further assessment of your health. All increases under this option can't be more than the lesser of 2 times the underwritten Life Income Cover sum insured or \$5,000 per month. The Optional Guaranteed Insurability must be used within 60 days of the relevant anniversary date.</p> <p>This option ends on your 60<sup>th</sup> birthday.</p>	Allows you to keep your insurance up to date with your changing lifestyle, without providing any further evidence of your health.

**Talk to your financial adviser**

**Call us on 0508 464 999**

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**Important information**

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**Cigna Life Insurance New Zealand Limited**

