

# Income Protection Cover



## What's Income Protection Cover?

We can't always predict what life's going to throw at us. If you're unable to work – either temporarily or permanently – because you're sick or injured, Income Protection Cover will provide you with money to live on as a monthly payment while you're not receiving your salary or wages.

## How long do you pay people for?

We'll pay until you can return to work – or until you reach the payment period on your policy. We can pay up to the age of 70! Turn to page 2 for your options.

## What would I use this cover for?

Your income is often your biggest asset and losing it can turn life upside down. Most people can manage for up to six weeks with a combination of sick and annual leave – but what happens past that point? And what happens if your condition means you're unable to work for months or even years? That's where Income Protection Cover can ease the burden, paying you a monthly benefit for the period of cover or until you're able to work again.

## How does it work?

A benefit will be paid to you if you continue to be disabled after your agreed waiting period. It's up to you to consider all the factors and choose how long you want your waiting period to be – most people choose between 30-90 days. The longer your waiting period, the lower your premiums are. Asteron Life has two types of cover you can choose from.

- 1. Loss of Earnings.** With this option we'll pay your benefit based on 75% of your actual loss of income. This is a popular option for people with stable incomes, i.e. if you're a salaried employee.
- 2. Loss of Earnings Plus.** When you apply for this option we'll agree the maximum benefit you'll receive in the event of a claim. At claim time we'll pay you, up to the agreed amount, the greater of:
  - the monthly benefit minus any income you receive while you're unable to work (such as ACC support)
  - 75% of your actual loss of income at the time you claim.

This is a great option for people with fluctuating incomes, like small business owners.

Another alternative is Asteron Life's Workability Cover, for more information check out our Workability brochure or talk to your adviser.

**Having income protection has been a godsend. If we didn't have it, we would have had to sell our house in order to have something to live on, and go rent somewhere. Everything would have been so different.** Pam, Asteron Life customer

**Disclaimer:** Customer testimonials and examples are provided for information only and do not advise on or recommend a product. For financial advice including on product suitability, please contact your financial adviser.

## What benefits are included with Income Protection Cover?

- **A monthly payment.** You'll receive a monthly payment if you're unable to work because of illness or injury. You can choose from four benefit payment periods – 2 years or 5 years, or to age 65 or 70. Your benefit payment period is how long you'll receive payments while you can't work.
- **Rehabilitation and retraining support.** Make contact with us straight away if you're unable to work due to sickness or injury so we can look for ways to help you. This might include support with rehabilitation, wheelchairs, occupational therapy or additional childcare.
- **Income update.** You're free to increase your cover by up to 10% each year with no further medical underwriting. This can be handy if you get a pay rise at work.
- **Recurrent disability.** We'll continue your benefit straight away if you're affected by the same disability within 12 months of being back at work – waiving your waiting period.
- **Disability reset.** We'll reset your benefit period once you've returned to work following a claim on an Income Protection Cover that has either 2 or 5 year benefit period. This allows you to claim for a new or related illness if the need arises. Refer to your policy document for full details.
- **New parent premium waiver.** While on a period of extended parental leave we'll pay your premiums for six months. Income protection is still important even if you're on parental leave – and when you're expecting a baby you might find you need to budget more.
- **Return to work.** If you can return to work full time, we'll pay you a bonus of one month's benefit after your first three months back at work, and a further two months' benefit after your first six months back at work. The research shows that returning to work can help you recover faster!
- **Overseas assist.** If you need to claim on your Income Protection policy while you're overseas, we'll reimburse you \$10,000 for your travel costs back to New Zealand.
- **Accommodation.** Pays for your family to be with you if they live more than 100km away.
- **Family assist.** We'll pay for a nurse or family member to look after you at home for up to 6 months.
- **Dependent relative.** If you have to stop working to undertake the full time care of a family member, we'll pay you a monthly benefit for up to 6 months.
- **Reduction in waiting period.** Lets you reduce the waiting period on your Income Protection if a Business Disability Cover or Farmers Disability Cover you have with us is cancelled. This is also available if your sick leave entitlements reduce or your employer cancels a disability insurance.
- **Inflation adjustment.** Each year we'll offer to increase your sum insured by the rate of inflation – according to the Consumer Price Index (CPI). This will be without the need for further medical or financial underwriting.

## Are there extra benefits I can add to my Income Protection Insurance?

- Yes. Here's a look at the optional extras:
- **Mental health discount.** This is an optional benefit that gives you a 10% premium discount if you choose to have a maximum benefit period of 2 years for any disability claim which is directly or indirectly related to mental illness.
- **Specific injury support (monthly or lump sum).** Support when you need it. Receive this benefit if you suffer any of 29 specified injuries (ranging from broken bones to paralysis). The benefit is payable even if you are still able to continue working. Check the policy document for the full list of injuries and payment periods.  
**Note:** When purchasing Specific injury support, you must choose either monthly or lump sum.
- **Income top-up package.** Boost your income in the early stages of a claim with:
  - **Income booster.** You'll receive an extra 33% of your monthly benefit for the first 3 months that you're on claim. The Income booster is useful to help you adjust to your new routine.
  - **Income bonus.** Receive up to an extra 25% of any income you earn if you return to work for more than 10 hours per week, during the first 12 months that you're on claim.
- **Immediate assist package.** Financial support while you're waiting for your claim payments to start. Support includes:
  - **Bed confinement.** Stuck in bed? Receive a benefit for each day you are confined to bed during your waiting period.
  - **Crisis benefit.** Immediate support in a crisis. Receive this benefit as soon as you're diagnosed with one of the 11 specified conditions (including cancer, heart attack and stroke), regardless of your waiting period. It doesn't matter if you're still able to work or not. Check the policy document for the full list of conditions and payment periods.
- **Increasing claim.** This allows you to increase your monthly benefit payments each year while you're on claim. It's useful because it keeps your benefit up to date with changes like inflation.
- **Redundancy.** If you're made redundant we've got you covered with monthly payments for up to six months. This optional benefit is currently only available to customers who already have cover under it.
- **Needlestick.** If you work in the medical and emergency services industry, the Needlestick benefit helps ensure that you can protect yourself against financial implications of contracting Hepatitis B or C or HIV.
- **Free Kids Cover.** Make sure you fill out the Kids Cover section of your application to add \$50,000 of trauma insurance for each of your children (or grandchildren) at no extra cost. You can increase this amount up to \$200,000 for just \$1 per \$10,000, per month.

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