

# “SAMPLE ONLY”

## TotalCare Max - Personal

### Optional Benefit Appendix

#### LIVING ASSURANCE BENEFIT COMPREHENSIVE COVER – STANDALONE

This *appendix* only applies if cover under the policy schedule includes the standalone comprehensive living assurance benefit. This *appendix* forms part of and is incorporated into the TotalCare Max policy, the terms of which apply to this *appendix*.

This is a standalone comprehensive living assurance benefit. Details of the benefit and the names of the people insured for the benefit (called the life or lives assured) are shown in *the schedule*.

#### 1. When will Sovereign pay a living assurance benefit?

Sovereign will pay you (subject to the provisions of this policy) a living assurance benefit if the life assured suffers for the first time, and after the *risk commencement date* shown in *the schedule*, any of the following *conditions* and survives for at least 14 days thereafter.

- Alzheimer’s disease and dementia
- Aplastic anaemia
- Chronic liver failure #
- Chronic lung disease #
- Chronic renal failure
- Creutzfeldt-Jakob disease
- Heart attack #
- HIV
- Major burns
- Major transplant surgery
- Stroke #

#### Angioplasty

- Angioplasty – 2 vessels or less # ^
- Angioplasty – 3 vessels or more #

#### Cancer

- Cancer #
- Carcinoma-in-situ surgery #
- Prostatic cancer surgery #
- Carcinoma-in-situ # ^

#### Loss of functionality

- Loss of independent existence
- Permanent blindness #
- Permanent loss of speech
- Permanent loss of hearing
- Permanent loss of limbs

#### Major cardiovascular disease

- Aortic surgery #
- Cardiomyopathy
- Coronary artery bypass surgery #
- Heart valve surgery #
- Out-of-hospital cardiac arrest
- Pulmonary hypertension

#### Major neurological disease (other than stroke)

- Benign brain tumour
- Coma
- Encephalitis
- Idiopathic Parkinson’s disease
- Intensive care benefit
- Major head trauma
- Meningitis
- Motor neurone disease
- Multiple sclerosis #
- Muscular dystrophy
- Peripheral neuropathy

#### Paralysis

- Paraplegia
- Quadriplegia
- Diplegia
- Hemiplegia

(The full description of these *conditions* and any specific provisions relating to them are set out in Section Seven.)

# Sovereign will not pay a benefit if the life assured for the benefit suffers, for the first time, any *condition* marked # within three months after the *risk commencement date* shown in *the schedule* (or in respect of an increase in benefit within three months after the effective date of the increase).

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- ^ The benefit amount for each *condition* marked ^ is limited to 10% of the living assurance benefit under this policy, subject to a maximum of \$20,000. For each life assured you can only make one claim for each *condition* marked ^.

You can only make one claim under this living assurance benefit, after which this benefit will cease. The only exception to this is where you make a claim for a *condition* marked ^. After you have made a claim for a *condition* marked ^, cover will continue for the specified *conditions* for which you have not been paid a claim, with the sum assured being reduced by the amount of the claim paid for the comprehensive living assurance benefit. The premium will reduce with the reduction in sum assured.

## 2. **Children’s benefit**

Sovereign will pay a children’s benefit if a natural or legally adopted child of a life assured for the living assurance benefit suffers for the first time, and after the *risk commencement date* shown in *the schedule* one of the *conditions* listed in Section One of this *appendix*.

The benefit is payable only if the child is aged between three years and 18 years at the time he or she first suffers from the *condition*, and the child survives for at least 14 days thereafter.

- The amount of the benefit is either \$20,000 or 50% of the living assurance benefit payable for the life assured, whichever is the lesser.
- Sovereign will pay only one children’s benefit for each child.
- This benefit will not affect the amount of any living assurance benefit which may be claimed for the relevant life assured.

## 3. **Financial advice benefit**

If Sovereign pays a claim under this living assurance benefit, then Sovereign will reimburse you for fees up to \$1,500 including GST (in total) that you pay for financial planning advice you receive from an *accredited adviser* approved by Sovereign, subject to the following conditions:

- You must pay for the financial planning advice within the 3 months following Sovereign paying the living assurance benefit claim.
- You must submit a claim for the financial advice benefit within the 3 months following Sovereign paying the living assurance benefit claim.
- You must provide Sovereign with a completed claim form and a receipt satisfactory to Sovereign for the fees you are claiming.
- Sovereign will only pay one financial advice benefit per life assured.

## 4. **Optional living assurance buyback benefit**

The optional living assurance buyback benefit applies only if shown in *the schedule*.

Where a living assurance buyback benefit is selected, this allows the living assurance benefit to be reinstated without the need to provide further medical

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evidence following a standalone living assurance benefit claim, subject to the following conditions:

- The life assured must have had a claim paid on their standalone living assurance benefit and have survived a period of twelve months after the claim payment date.
- The living assurance buyback benefit must be reinstated within 30 days of the first anniversary of the standalone living assurance benefit claim payment.
- The maximum living assurance buyback amount is limited to 100% of the standalone living assurance benefit claim payment or \$2.0 million, whichever is the lesser.
- Any premium loadings or exclusions which applied to the original standalone living assurance benefit will also apply to the reinstated living assurance benefit.
- Any exercise of the living assurance buyback benefit may require an increase in premium. This premium increase will be calculated at the rates applicable at the time the living assurance buyback benefit is accepted.
- In the event of a claim in respect of the reinstated living assurance benefit, any *condition* for which a living assurance benefit claim has been paid for the life assured and/or any *conditions* that may be directly or indirectly related to that *condition* or any cause of that *condition*, as determined by Sovereign, will be excluded from the life assured’s living assurance benefit cover.
- Only one living assurance buyback benefit reinstatement will be allowed over the life of this policy for a life assured.
- The living assurance buyback benefit is not available following a claim for a *condition* marked ^ in Section One.

## 5. **How to make a claim**

To make a claim, the relevant procedures in the section of your Sovereign TotalCare Max policy entitled ‘How to claim a benefit’ must be followed.

In addition, for a living assurance benefit claim, Sovereign will require information acceptable to us, including medical evidence and reports, showing proof of the *condition* giving rise to the claim.

Sovereign may require the life assured to have an examination by a *Registered Medical Practitioner* appointed by Sovereign before accepting liability for a claim.

## 6. **Exclusions – when Sovereign will not pay a benefit**

Sovereign will not pay any benefit described in this *appendix* where any of the following (and in each case either directly or indirectly) causes or contributes to the claim:

- The life assured (or the child in the case of a children’s benefit) deliberately injuring himself or herself or attempting to do so.

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- The life assured (or the child in the case of a children’s benefit) participating in any criminal act.
- Any *condition* that existed before the *risk commencement date*, unless Sovereign is satisfied that you could not have known of the existence of the *condition*, or the *condition* was declared on your application and accepted by Sovereign.

Sovereign will not pay a children’s benefit if a congenital defect directly or indirectly causes or contributes to the claim.

Sovereign will not pay a children’s benefit for the relevant *condition* if the *condition* directly or indirectly arises from an injury caused by you, the child’s parents or guardian.

These exclusions apply to any subsequent benefit increase you make.

## 7. Definitions of medical conditions

### **Alzheimer’s disease and dementia**

The unequivocal diagnosis of Alzheimer’s disease or other dementia. The diagnosis must confirm permanent irreversible failure of brain function and result in significant cognitive impairment for which no other cause has been identified. Significant cognitive impairment means a deterioration or loss of intellectual capacity that results in a requirement for continual supervision to protect the life assured or others. The diagnosis is confirmed by an appropriate *specialist* in psychogeriatrics, psychiatry, neurology or geriatrics. Dementia as the result of alcohol or drug abuse is specifically excluded.

### **Aplastic anaemia**

The life assured has suffered the first occurrence of bone marrow failure which results in anaemia, neutropenia and thrombocytopenia, requiring treatment over a period of at least two months with at least one of the following:

- Blood product transfusion
- Marrow stimulating agents
- Immunosuppressive agents
- Bone marrow transplantation

### **Chronic liver failure**

The life assured suffers end-stage liver failure as evidenced by:

- Permanent jaundice; or
- Ascites; or
- Encephalopathy.

Liver disease caused by alcohol or drug abuse is specifically excluded.

### **Chronic lung disease**

The life assured has reached end-stage respiratory failure as diagnosed by an appropriate *specialist* in respiratory disease. As a result, the life assured

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requires continuous oxygen therapy and has a FEV<sub>1</sub> test result of less than 1 litre.

## **Chronic renal failure**

The kidneys of the life assured have reached the end-stage of renal disease resulting in chronic irreversible failure of the kidneys to function, as a result of which regular renal dialysis is instituted or transplantation performed.

## **Creutzfeldt-Jakob disease**

The diagnosis of Creutzfeldt-Jakob disease confirmed by an appropriate *specialist* neurologist. The life assured must exhibit signs and symptoms of cerebellar dysfunction, severe progressive dementia, uncontrolled muscle spasm, tremor and athetosis, resulting in the life assured requiring permanent and continual medical supervision.

## **Heart attack**

The death of a portion of the heart muscle arising from the inadequate blood supply to the relevant area. The diagnosis shall be based on the following criteria being present and consistent with a heart attack:

- Confirmatory new electrocardiogram (ECG) changes; and
- A diagnostic rise and fall (other than as a result of cardiac or coronary intervention) in either Troponin I in excess of 2.0microgram/L or Troponin T in excess of 0.6microgram/L or cardiac enzyme CK-MB.

If any of the above criteria is not met, then we will consider a claim based on evidence that the event produced a permanent reduction in the Ejection Fraction to 50% or less (as measured at three months after the event).

## **HIV**

Infection with the Human Immunodeficiency Virus (HIV) must have been acquired by accident or violence during the course of the life assured's normal occupation or through the medium of a blood transfusion, transfusion of blood products, organ transplant, assisted reproduction technique or other medical procedure or operation performed by a registered healthcare professional and/or in a registered hospital care institution, or surgical centre or surgical clinic. You must prove this to our satisfaction. Sero-conversion to the HIV infection must occur within six (6) months of the accident. HIV infection transmitted by any other means, including but not limited to sexual activity or non-medical intravenous drug use, is not covered under this *appendix*.

Any incident giving rise to a potential claim must be reported to us within thirty (30) days of the incident and be supported by a negative HIV Antibody Test

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taken within seven (7) days after the incident. Sovereign may decline your claim if we are not given access to independently test all blood samples used, if we require, or if the life assured does not allow Sovereign to take further independent blood tests.

## **Major burns**

The life assured has suffered tissue injury caused by thermal, electrical or chemical agents. As a result, the life assured has full thickness or third-degree burns to:

- at least 20% of the body surface area (as measured by age-appropriate use of The Rule of 9 or the Lund and Browder Body Surface Chart); or
- 50% of both hands, requiring surgical debridement and/or grafting; or
- 25% of the face, requiring surgical debridement and/or grafting.

## **Major transplant surgery**

The life assured has had one or more of the following human organs or substances completely transplanted from a human into that life assured's body:

- Kidney
- Heart
- Lung
- Liver
- Pancreas
- Bone marrow
- Intestine

The transplant of all other organs, parts of organs or any other tissue transplant is excluded.

## **Stroke**

A cerebrovascular event producing neurological deficit. This requires clear evidence on CT, MRI or similar appropriate scan or investigation that a stroke has occurred. This requires evidence of:

- infarction of brain tissue; or
- intracranial or subarachnoid haemorrhage.

Excluded from this definition are transient ischaemic attacks (TIA), reversible neurological deficit (RND), cerebral symptoms due to migraine, cerebral injury from trauma or hypoxia and vascular disease affecting the eye, optic nerve or vestibular functions.

## **Angioplasty**

### **Angioplasty - 2 vessels or less**

The actual undergoing of coronary artery balloon angioplasty, considered medically necessary by an appropriate *specialist* cardiologist, to correct a narrowing or blockage of one or two coronary arteries during the same procedure.

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## **Angioplasty - 3 vessels or more**

The actual undergoing of coronary artery balloon angioplasty, considered medically necessary by an appropriate *specialist* cardiologist, to correct a narrowing or blockage of three or more coronary arteries during the same procedure, provided that there is a level of occlusion to each affected artery of at least 50%.

## **Cancer**

### **Cancer**

The presence of one or more malignant tumours, characterised by uncontrolled growth and spread of malignant cells, with the invasion and destruction of normal tissue for which major interventionist treatment or surgery is considered medically necessary by an appropriate *specialist*.

The following tumours are excluded:

- Tumours classified as carcinoma-in-situ (including intra-epithelial neoplasia).
- Prostate tumours with a Gleason score of less than 6. (If the Gleason score is unavailable, we will use the TNM classification and tumours classified as T1 or its equivalent will be excluded).
- All skin cancers unless there is evidence of metastases or that they are at least a Clark level 3, or greater than 1.5mm thickness as measured using the Breslow histological classification.
- Chronic Lymphocytic Leukaemia less than RAI stage 1.

### **Carcinoma-in-situ surgery**

As a result of a carcinoma-in-situ, an operation to arrest spread of the malignancy is performed that is considered medically necessary by an appropriate *specialist*.

This benefit only covers the following carcinoma-in-situ surgeries:

- Carcinoma-in-situ of the breast requiring the removal of the entire breast
- Carcinoma-in-situ of the cervix requiring a total hysterectomy
- Carcinoma-in-situ of the ovaries or fallopian tubes requiring a total hysterectomy and/or oophorectomy
- Carcinoma-in-situ of the vagina requiring a pelvic lymphadenectomy
- Carcinoma-in-situ of the vulva requiring a vulvectomy.

The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as Tis according to the TNM staging method or FIGO Stage 0.

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## **Prostatic cancer surgery**

As a result of a prostate tumour, the entire prostate is removed to arrest spread of the malignancy and this is considered medically necessary by an appropriate *specialist*.

## **Carcinoma-in-situ**

A focal autonomous new growth of carcinomatous cells which has not yet resulted in the invasion of normal tissues. ‘Invasion’ means an infiltration and/or active destruction of normal tissue beyond the basement membrane.

This benefit only covers carcinoma-in-situ of the following sites:

- Breast
- Cervix
- Vagina
- Vulva

The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as Tis according to the TNM staging method or FIGO Stage 0.

## **Loss of functionality**

### **Loss of independent existence**

The life assured is totally and irreversibly disabled, with the effect that he or she is unable, as a result of sickness or injury, to perform without assistance at least two of the following activities for himself or herself:

- Bathing and showering
- Dressing and undressing
- Eating and drinking
- Using a toilet
- Moving from place to place by walking, in a wheelchair, or with a walking aid.

Alternatively, the life assured is unable to perform one of the above and his or her intellectual capacity has reduced or deteriorated to such an extent that the life assured requires *full-time care*.

### **Permanent blindness**

Irrecoverable loss of the sight of both eyes (whether aided or unaided) as a result of sickness or injury. This is evidenced by:

- a. Visual acuity of 6/36 or less in both eyes; or
- b. Field of vision is reduced to 10 degrees or less of arc in the better eye; or
- c. A combination of visual defects resulting in the same degree of visual impairment as either of the points above.

### **Permanent loss of speech**

The life assured, as a result of sickness or injury, loses the ability to produce intelligible speech, both natural and assisted. This loss must be total and permanent as assessed 3 months after the event.



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Loss of speech related to any psychological cause is excluded.

## **Permanent loss of hearing**

The life assured, as a result of sickness or injury, loses all hearing in both ears (aided or unaided). This loss must be total and permanent as assessed 3 months after the event.

## **Permanent loss of limbs**

The life assured, as a result of sickness or injury, loses two or more limbs (the complete severance of an entire hand or foot).

## **Major cardiovascular disease**

The life assured has suffered or undergone one of the following *conditions*:

### **Aortic surgery**

Medically necessary surgery to correct or repair:

- An aortic aneurysm, or
- An obstruction of the aorta, or
- A coarctation of the aorta, or
- A traumatic rupture of the aorta.

For the purpose of this definition aorta shall mean the thoracic and abdominal aorta.

### **Cardiomyopathy**

Impaired ventricular function of variable aetiology due to primary disease of the heart muscle, resulting in permanent and irreversible physical impairments to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment. Cardiomyopathy caused by alcohol or drug abuse is specifically excluded.

### **Coronary artery bypass surgery**

Medically necessary surgery to correct the narrowing of, or blockage to, one or more coronary arteries by means of a bypass graft.

### **Heart valve surgery**

The undergoing of heart valve surgery performed to replace or repair one or more heart valves that cannot be repaired by intra-arterial procedures.

### **Out-of-hospital cardiac arrest**

Cardiac arrest not associated with any medical procedure and that is documented by an electrocardiogram and occurs out of hospital, and is due to:

- cardiac asystole; or
- ventricular fibrillation with or without ventricular tachycardia.

### **Pulmonary hypertension**

Primary pulmonary hypertension with substantial right ventricular enlargement resulting in permanent and irreversible physical impairment to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment.

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## **Major neurological disease (other than stroke)**

The life assured has suffered any one of the following *conditions* and, as a consequence, sustained a neurological deficit causing:

- at least 25% permanent impairment of *whole person functioning* as measured six months beyond initial diagnosis; or
- the total and irreversible disablement of the life assured with the effect that he or she is unable to perform without assistance at least one of the following activities of daily living for himself or herself:
  - Bathing and showering
  - Dressing and undressing
  - Eating and drinking
  - Using a toilet
  - Moving from place to place by walking, in a wheelchair, or with a walking aid.

Any of the following *conditions* caused by alcohol or drug abuse are specifically excluded.

<b>Benign brain tumour</b>	A benign intracranial tumour which cannot be removed by surgery, or growth arrested by other available techniques.
<b>Coma</b>	A state of unconsciousness with no reaction to stimuli or internal needs, persisting continuously for at least 96 hours, requiring the use of life-support systems.
<b>Encephalitis</b>	Severe inflammatory disease of the brain diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
<b>Idiopathic Parkinson's disease</b>	The unequivocal diagnosis of idiopathic Parkinson's disease where the <i>condition</i> cannot be controlled by medication and shows signs of progressive impairment.
<b>Intensive care benefit</b>	A state of unconsciousness with no reaction to stimuli or internal needs, persisting continuously for at least 96 hours, requiring the use of endo-tracheal intubation in the intensive care unit of a hospital.
<b>Major head trauma</b>	An accidental cerebral injury diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
<b>Meningitis</b>	The diagnosis of meningitis by an appropriate <i>specialist</i> approved by Sovereign.
<b>Motor neurone disease</b>	The unequivocal diagnosis of motor neurone disease diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
<b>Multiple sclerosis</b>	The unequivocal diagnosis of multiple sclerosis confirmed by CT or MRI scans. A single episode of multiple sclerosis from which full remission has occurred will not be covered under this policy.

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**Muscular dystrophy** The unequivocal diagnosis of muscular dystrophy diagnosed by an appropriate *specialist* approved by Sovereign.

**Peripheral neuropathy** Irreversible inflammation or degradation of a peripheral nerve, diagnosed by an appropriate *specialist* approved by Sovereign.

### Paralysis

The life assured suffers:

**Paraplegia** Total and permanent loss of function of both legs due to injury or disease of the spinal cord.

**Quadriplegia** Total and permanent loss of function of both upper and lower limbs due to injury or disease of the spinal cord.

**Diplegia** Total and permanent loss of function of both arms or both legs due to injury or disease of the spinal cord.

**Hemiplegia** Total and permanent loss of function of one side of the body due to brain injury or disease.

## 8. Key Terms

*accredited adviser* Either an adviser with a current financial adviser agreement with Sovereign Services Limited or a member of a financial services industry body approved by Sovereign.

*condition(s)* A treatment, illness, surgical procedure or event, as specified in this *appendix*, which leads to a claim being paid under the specified definition.

*full-time care* Care for 16 hours per day or more, provided by a nursing service approved by Sovereign whose profession it is to provide nursing services.

*specialist* A *Registered Medical Practitioner* who has an approved fellowship in one of the approved surgical, anaesthetic or traditional non-surgical colleges and who is registered with the New Zealand Medical Council. These include, but are not limited to, the following disciplines: general surgery, orthopaedic surgery, urology, neurosurgery, anaesthesiology, cardiology, endocrinology, gastroenterology, haematology, paediatrics, gynaecology, obstetrics, neurology, oncology, renal specialists and rheumatology.

*whole person functioning* As defined in the ‘Guides to the Evaluation of Permanent Impairment – 4<sup>th</sup> Edition’ (or subsequent editions), produced by the American Medical Association.