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TotalCare Max - Personal

Optional Benefit Appendix

LIVING ASSURANCE BENEFIT ESSENTIAL COVER – ACCELERATED

This *appendix* only applies if you have chosen an accelerated essential living assurance benefit. The terms of your Sovereign TotalCare Max policy document also apply to this *appendix*.

Details of the living assurance benefit you have chosen and the names of the people insured for the benefit (called the life or lives assured) are shown in *the schedule*.

1. **What effect does payment of an accelerated living assurance benefit have on the life cover benefit?**

When Sovereign pays an accelerated living assurance benefit, the life cover benefit for that life assured will decrease by the same amount. The maximum combined amount payable under the life cover benefit, terminal illness benefit, bereavement support benefit, accelerated living assurance benefit and, if applicable, accelerated total permanent disablement benefit is the amount of the life cover benefit for that life assured.

2. **When will Sovereign pay a full 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.

- Chronic renal failure
- Heart attack #
- Major transplant surgery
- Stroke #

Cancer

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

Major cardiovascular disease

- Coronary artery bypass surgery #

Paralysis

- Paraplegia
- Quadriplegia
- Diplegia
- Hemiplegia

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

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).

You can only make one claim under this full living assurance benefit per life assured, after which this *appendix* will cease for that life assured.

“SAMPLE ONLY”

3. When will Sovereign pay a partial living assurance benefit?

Sovereign will pay you (subject to the provisions of this policy) the lesser of 10% of the living assurance benefit under this policy or \$20,000, 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
- Angioplasty #
- Aplastic anaemia
- Chronic liver failure #
- Chronic lung disease #
- Creutzfeldt-Jakob disease
- HIV
- Major burns

Cancer

- 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
- 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

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

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).

After you have made a partial living assurance benefit claim, 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. You cannot claim again for the same *condition* for that life assured. The premium will reduce with the reduction in sum assured.

4. 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 Two 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.

“SAMPLE ONLY”

- This benefit will not affect the amount of any living assurance benefit which may be claimed for the relevant life assured.

5. **Optional life cover buyback benefit**

The optional life cover buyback benefit applies only if shown in *the schedule*.

Where a life cover buyback benefit is selected, this allows the original life cover benefit to be reinstated without the need to provide further medical evidence following an accelerated living assurance benefit claim, subject to the following conditions:

- The life assured must have had a claim paid on their accelerated living assurance benefit and have survived a period of twelve months after the claim payment date.
- The life cover buyback benefit must be reinstated within 30 days of the first anniversary of the accelerated living assurance benefit claim payment.
- The maximum life cover buyback amount is limited to 100% of the accelerated living assurance benefit claim or \$2.0 million, whichever is the lesser.
- No life cover buyback benefit is payable if the life assured has previously made a terminal illness claim, whether this has been accepted or not.
- Any exercise of the life cover buyback benefit may require an increase in premium. This premium increase will be calculated on the rates applicable at the time the life cover buyback benefit is used.

6. **How to make a claim**

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

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.

7. **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.
- 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

“SAMPLE ONLY”

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.

8. 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.

Angioplasty

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 more coronary arteries during the same procedure.

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

“SAMPLE ONLY”

requires continuous oxygen therapy and has a FEV₁ 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

“SAMPLE ONLY”

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.

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*.

“SAMPLE ONLY”

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.

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

“SAMPLE ONLY”

- 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

Complete and irrecoverable loss of the sight of both eyes (whether aided or unaided) as a result of sickness or injury. The extent of vision must be 6/36 or less in both eyes. Blindness as a result of alcohol or drug abuse is specifically excluded.

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. 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

Open-chest surgery or laparotomy to correct or repair any narrowing, dissection or aneurysm of the thoracic or abdominal aorta.

“SAMPLE ONLY”

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	Open-heart bypass surgery to correct or treat coronary artery disease.
Heart valve surgery	Open-heart surgery to correct any defects in, abnormalities of, or disease-affected cardiac valves.
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: <ul style="list-style-type: none">• 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.

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.

Benign brain tumour A benign intracranial tumour which cannot be removed by surgery, or growth arrested by other available techniques.

Coma 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.

“SAMPLE ONLY”

Encephalitis	Severe inflammatory disease of the brain diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
Idiopathic Parkinson’s disease	The unequivocal diagnosis of idiopathic Parkinson’s disease where the <i>condition</i> cannot be controlled by medication and shows signs of progressive impairment.
Intensive care benefit	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.
Major head trauma	An accidental cerebral injury diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
Meningitis	The diagnosis of meningitis diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
Motor neurone disease	The unequivocal diagnosis of motor neurone disease diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
Multiple sclerosis	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.
Muscular dystrophy	The unequivocal diagnosis of muscular dystrophy diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
Peripheral neuropathy	Irreversible inflammation or degradation of a peripheral nerve, paid upon first diagnosis by an appropriate <i>specialist</i> approved by Sovereign.
<u>Paralysis</u>	
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.

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9. Key Terms

<i>condition(s)</i>	A treatment, illness, surgical procedure or event, as specified in this <i>appendix</i> , which leads to a claim being paid under the specified definition.
<i>full-time care</i>	Care for 16 hours per day or more, provided by a nursing service approved by Sovereign whose profession it is to provide nursing services.
<i>specialist</i>	A <i>Registered Medical Practitioner</i> 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.
<i>whole person functioning</i>	As defined in the ‘Guides to the Evaluation of Permanent Impairment – 4 th Edition’ (or subsequent editions), produced by the American Medical Association.