

# “SAMPLE ONLY”

## TotalCare Max - Personal

### Optional Benefit Appendix

#### **TOTAL PERMANENT DISABLEMENT ACCELERATED**

This *appendix* only applies if cover under the policy schedule includes the accelerated total permanent disablement benefit. This *appendix* forms part of and is incorporated into the TotalCare Max policy, the terms of which apply to this *appendix*.

This is an accelerated total permanent disablement 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. What effect does payment of an accelerated total permanent disablement benefit have on the life cover benefit?**

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

**2. If you have selected an ‘any occupation total permanent disablement benefit’**

Sovereign will pay you an ‘any occupation total permanent disablement benefit’ if at any time after the *risk commencement date*:

- A life assured suffers in Sovereign’s opinion ‘any occupation total permanent disablement’ before reaching the policy expiry age as shown in *the schedule*.

Sovereign will pay only one ‘any occupation total permanent disablement benefit’ for each life assured.

The benefit is a lump-sum payment of the amount specified in *the schedule* for the relevant life assured provided that claims for benefit amounts over \$3,000,000 will be limited to \$3,000,000 unless the criteria set out in section 3 c) in this *appendix* are satisfied. The balance of the benefit amount over \$3,000,000 will only be paid once the criteria in section 3 c) in this *appendix* are satisfied.

If you have selected an expiry age of age 70:

- If a life assured suffers an ‘any occupation total permanent disablement’ before reaching their 65<sup>th</sup> birthday, they will be assessed under section 3 a), b) or c) of this *appendix*.
- If a life assured suffers an ‘any occupation total permanent disablement’ after reaching their 65<sup>th</sup> birthday, they will be assessed under section 3 c) of this *appendix*.
- If Sovereign could not reasonably be expected to make an assessment of the life assured prior to their 65<sup>th</sup> birthday they would be assessed under section 3 c) of this *appendix*.

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### 3. What does ‘any occupation total permanent disablement’ mean?

A life assured has suffered ‘any occupation total permanent disablement’ if he or she:

- a) In Sovereign’s opinion becomes totally incapacitated by illness or *accident* and, as a result of that incapacity:
  - Is completely unable to engage in the occupation, or carry on the business, he or she was involved in just before becoming incapacitated; and
  - Has not *worked* in any occupation or carried on any business for three consecutive months after the incapacity began; and
  - Is in the opinion of Sovereign, after consideration of the medical and any other evidence satisfactory to Sovereign, so incapacitated that it is unlikely he or she will ever be able to *work* in his or her occupation or ever engage in any other *gainful employment* for which he or she may be reasonably suited by education, training or experience; or
- b) Suffers *loss of limbs or sight*; or
- c) Is constantly and permanently unable to perform at least two of the following activities without the physical assistance of someone else (if the life assured can perform the activity on his or her own by using special equipment Sovereign will treat the life assured as being able to perform that activity):
  - 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 has suffered ‘any occupation total permanent disablement’ if he or she 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 permanent and constant supervision.

Any condition that Sovereign has reasonable grounds to expect can be reversed or improved by surgery or other treatment will not be considered to be a disablement covered by the ‘any occupation total permanent disablement’ definition.

### 4. If you have selected an ‘own occupation total permanent disablement benefit’

Sovereign will pay you an ‘own occupation total permanent disablement benefit’ if at any time after the *risk commencement date*:

- A life assured suffers in Sovereign’s opinion an ‘own occupation total permanent disablement’ before reaching the policy expiry age as shown in *the schedule*.

Sovereign will pay only one ‘own occupation total permanent disablement benefit’ for each life assured.

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The benefit is a lump-sum payment of the amount specified in *the schedule* for the relevant life assured provided that claims for benefit amounts over \$3,000,000 will be limited to \$3,000,000 unless the criteria set out in section 5 c) in this *appendix* are satisfied. The balance of the benefit amount over \$3,000,000 will only be paid once the criteria in section 5 c) in this *appendix* are satisfied.

If you have selected an expiry age of age 70:

- If a life assured suffers an ‘own occupation total permanent disablement’ before reaching their 65<sup>th</sup> birthday, they will be assessed under section 5 a), b) or c) of this *appendix*.
- If a life assured suffers an ‘own occupation total permanent disablement’ after reaching their 65<sup>th</sup> birthday, they will be assessed under section 5 c) of this *appendix*.
- If Sovereign could not reasonably be expected to make an assessment of the life assured prior to their 65<sup>th</sup> birthday they would be assessed under section 5 c) of this *appendix*.

## 5. What does ‘own occupation total permanent disablement’ mean?

A life assured has suffered ‘own occupation total permanent disablement’ if he or she:

- a) In Sovereign’s opinion becomes totally incapacitated by illness or *accident* and, as a result of that incapacity:
  - Is completely unable to engage in the occupation, or carry on the business, he or she was involved in just before he or she was incapacitated; and
  - Has not *worked* in any occupation or carried on any business for three consecutive months after the incapacity began; and
  - Is, in the opinion of Sovereign, after consideration of the medical and any other evidence satisfactory to Sovereign, so incapacitated that it is unlikely he or she will ever be able to resume *work* in his or her own occupation: or
- b) Suffers *loss of limbs or sight*; or
- c) Is constantly and permanently unable to perform at least two of the following activities without the physical assistance of someone else (if the life assured can perform the activity on his or her own by using special equipment Sovereign will treat the life assured as being able to perform that activity):
  - 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 has suffered ‘own occupation total permanent disablement’ if he or she 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 permanent and constant supervision.

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Any condition that Sovereign has reasonable grounds to expect can be reversed or improved by surgery or other treatment will not be considered to be a disablement covered by the ‘own occupation total permanent disablement benefit’ definition.

## 6. **When does an ‘own occupation total permanent disablement benefit’ cease?**

Cover under the ‘own occupation total permanent disablement benefit’ will cease and cover under the ‘any occupation total permanent disablement benefit’ will apply should the life assured for the benefit commence full-time domestic duties.

## 7. **Financial advice benefit**

If Sovereign pays a claim under this total permanent disablement 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 total permanent disablement claim.
- You must submit a claim for the financial advice benefit within the 3 months following Sovereign paying the total permanent disablement 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.

## 8. **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 total permanent disablement benefit claim, Sovereign will require:

- The life assured to be examined by a *Registered Medical Practitioner* acceptable to us, before accepting liability for a claim. Sovereign may also require further examinations.
- A Sovereign claims form completed by the life assured and a *Registered Medical Practitioner* (at your expense).

## 9. **Exclusions – when Sovereign won’t pay a benefit**

Sovereign will not pay any accelerated total permanent disablement benefit where any of the following (and in each case either directly or indirectly) causes or contributes to the disablement:

- The life assured deliberately injuring himself or herself or attempting to do so.
- The life assured participating in any criminal act.
- The life assured deliberately taking or using non-prescribed drugs, other than for proper therapeutic or medical purpose and in accordance with the manufacturer’s directions for use, or the deliberate misuse by the life assured of prescribed drugs.

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Sovereign will also not pay any accelerated total permanent disablement benefit if the life assured dies within three months of the date that the life assured became totally permanently disabled.

These exclusions apply to any subsequent benefit increase you make.

## 10. **Key terms**

*accident* Injury caused by violent, accidental, external and visible means.

*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.

*gainful employment* *Working* to generate income through personal efforts by using the life assured's time and skills. He or she can be self-employed, employed, earning fees, under contract, receiving commissions, *working* on contract or otherwise remunerated for his or her efforts.

*loss of limbs or sight* The total and permanent loss of use of:

- both feet; or
- both hands; or
- the sight in both eyes (to the extent that visual acuity is reduced to 6/36 or less in the better eye and/or the field of vision is reduced to 10 degrees or less of arc in the better eye); or
- any combination of two of: a hand, a foot or sight in an eye (to the extent that visual acuity is reduced to 6/36 or less and/or the field of vision is reduced to 10 degrees or less of arc).

*work* Personal effort using the life assured's time and skills, whether or not income is generated for the life assured. *Worked* and *working* shall have similar meanings.