



0800 800 627

mas.co.nz

Welcome to your
Income Security policy



Thank you for choosing MAS Income Security insurance.

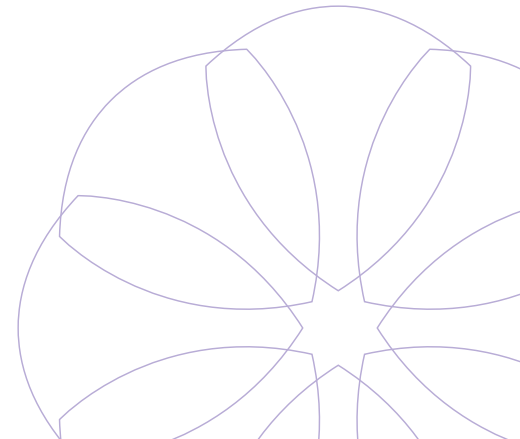
It's important to have a plan in place if you or someone else is prevented from working due to sickness or injury.

This policy is an essential part of that plan and it provides financial support to get through a difficult time. As the policy owner, you may be insuring yourself or another person. Either way, we can top up the insured person's income to 75 percent of pre-disability income.

Taking out your policy is a meaningful step. We hope it gives you peace of mind. If you have any questions, we're here to help.



Contents



Introduction

In this section you'll find:

About your policy document



To make your policy document easier to read, we use 'you' and 'your' to refer to the policy owner. We use 'insured person' (including 'they', 'them', and 'their') to refer specifically to a person insured under your policy.

Your policy document explains how your insurance policy works and outlines the cover available under your Income Security policy.

Please read your policy document alongside your schedule. Together, they set out the insurance options you have selected and any special conditions that apply to your policy.

Your policy is governed by the laws of New Zealand.

All references to dollar amounts are in New Zealand currency.

All payments to and from us must be in New Zealand dollars.

Your policy with us is made up of:

- your policy document, which explains the different insurance cover options available and the terms and conditions
- your schedule, which lists the details of the cover you have selected and any special conditions that apply under your policy
- your application form for your policy and any application forms we receive in the future
- any other documents and information we receive as part of your application for your policy
- any documents we give you in the future, or you or the insured person give to us in the future.

- You can cancel your cover within 30 days
- How and when we communicate with you
- Our commitment to using plain language

About your policy document



You can cancel your cover within 30 days

We want you to feel happy and confident in your decision to take out your policy with us. Take some time to read through your policy document to make sure the insurance cover meets your needs.

If you change your mind, you can cancel your cover within 30 days of the policy start date shown in your schedule. We will refund in full any payments you have made.

You can also cancel any increase to your policy (such as an increase to your Loss of Income cover weekly benefit or Business Expenses cover weekly benefit) within 30 days, and we will refund any payment you made towards that increase. The 30-day period starts three days after we provide you with a replacement schedule.

Your policy has no cash value. If after 30 days you decide to cancel it, we will not pay you any money.

How and when we communicate with you

Occasionally, we'll need to update your insurance policy. We'll send regular information about these updates to the email or postal address we have for you on file. Please let us know if any of these contact details change.

Unless you tell us otherwise, we'll send communications to you as the policy owner. Generally, we'll only send communications to one policy owner even if there are multiple owners. If you would like us to send communications to more than one person, or to anyone else, just let us know.

Our commitment to using plain language

At MAS, we're committed to communicating with you in plain language and with complete transparency.

Occasionally, we need to use specialist terms but we will always explain what these terms mean in everyday language.

If you read anything that's not easy to understand, please contact us and we can talk it through with you.

• How to contact us

About your policy document



How to contact us

If you'd like to get in touch with us, please email info@mas.co.nz or call 0800 800 627.

If you'd prefer to write to us, our address is:

Life Administration Team

MAS
PO Box 957
Wellington, 6140

If you have a complaint

If you or the insured person have any problems with our service you can lodge a complaint with us in the following ways:

In writing

e.g. by email, post or submitting one through our **online form**.

Email: resolutions@mas.co.nz
Postal address: MAS, PO Box 957, Wellington, 6140.

Over the phone

with MAS staff taking notes and confirming with you that they have understood your complaint correctly.

Phone: 0800 800 627

How to contact the Insurance & Financial Services Ombudsman

We work hard to respond to any complaint fairly. If you feel we haven't fully resolved your complaint, you or the insured person can contact the Insurance & Financial Services Ombudsman (IFSO).

Go to www.ifso.nz to see the types of complaint IFSO can consider.

The contact details are:

Insurance & Financial Services Ombudsman

PO Box 10845
Wellington 6143
Freephone: 0800 888 202
Fax: 04 499 7614
Email: info@ifso.nz

Get to know your policy document



There are **three different roles** under your policy.

Get to know your policy document

- The different roles under your policy

1. The policy owner

The person, people, or entity that owns the policy (as named in your schedule), including their legal representatives.

The policy owner has all rights under your policy and will receive all benefits under it. The policy owner is the only party that can make changes under your policy.

2. The insured person

The person whose income is insured.

The insured person does not have any rights under your policy and is not eligible to receive any of the benefits payable unless they are also the policy owner.

3. The payer

The person who pays the premium for your policy.

This could be the policy owner, insured person, a separate person, or an entity.

	Receives claim payment	Can make changes to your policy	Has legal rights under your policy	Pays policy premiums	Experiences a claimable event
Policy owner	✓	✓	✓	✗	✗
Insured person	✗	✗	✗	✗	✓
Payer	✗	✗	✗	✓	✗

Get to know your policy document



- **Defined terms you'll find in your policy document**
- **Common terms you'll find in your policy document**

Defined terms you'll find in your policy document

Some words or phrases have particular meanings and are explained in 'Definitions of key terms' on page 73. These words or phrases appear on the bottom of the pages where they are used.

Common terms you'll find in your policy document

We use the common terms in the following table throughout your policy document. They have specified meanings. As these terms are used frequently, we don't refer to them as defined terms on each page.

Common term	Meaning
we, us, our	Medical Life Assurance Society Limited, (MAS).
you, your	The policy owner or owners named in your schedule.
insured person	The person insured by your policy.
policy cover	The type of cover you have selected under your policy. MAS Income Security offers two different covers, Loss of Income cover and Business Expenses cover. You may have selected one or both covers.
schedule	The latest statement of the cover provided by your policy, effective from the cover start date and whenever a change is made to your policy.
Loss of Income cover weekly benefit Business Expenses cover weekly benefit	The maximum amount you will be paid weekly under your cover, as shown in your schedule (and as adjusted by agreement between you and us).
benefit	The entitlement you have under your selected policy cover.
loss of income benefit	Either a total disablement benefit or a partial disablement benefit or a combination of these.
business expenses benefit	A business expenses benefit including locum cover.

Need to make a claim?



We're here to help.

We work hard to make sure our claims process is as simple as possible for you.

If you need to make a claim, we're here to help. We can talk you through the process, tell you how we can help you, and explain what we need from you.

You need to tell us as soon as you can about any event that may lead to a claim. To make a claim, your policy and the benefit you are claiming must still be in force at the time of the event.



Call us on
04 912 4796



Email us at
disabilityclaims@mas.co.nz

Need to make a claim?

Insurance covers

In this section you'll find:

- Rehabilitation and retraining benefit

Overview of your cover



Your policy provides cover 24 hours a day, anywhere in the world.

If you continue to pay your premiums and meet the terms and conditions, we will continue to renew your policy every 12 months until your policy ends.

Your Income Security policy offers two covers.



Loss of Income cover



Business Expenses cover

Overview of your cover



Loss of Income cover

Who should have Loss of Income cover?

People who are at risk of losing all or part of their income, for a short or long time, if they can't work due to sickness or injury.

Available benefits	What it provides	See page
Total disablement benefit	We will pay up to 75% of their pre-disability income if the insured person is unable to work more than 10 hours a week.	18
Partial disablement benefit	We will top up income to 75% of their pre-disability income if the insured person is working more than 10 hours a week but earning less than 75% of their pre-disability income.	21
Parent leave benefit	We will pay up to 75% of their pre-disability income if the insured person takes unpaid leave to support the care of their child.	24
Income increase benefit	If the insured person's income increases before their 55th birthday, you can apply to increase the Loss of Income cover weekly benefit, without the need for more medical evidence.	27
Waiver of premium benefit	We will waive your premiums while we pay a loss of income benefit.	29
Escalating benefit	If we pay you a claim for longer than a year, we will increase your weekly benefit each year to reflect changes in inflation.	29

Overview of your cover



Loss of Income cover

Available benefits	What it provides	See page
Rehabilitation and retraining benefit	We can pay up to 26 times your Loss of Income cover weekly benefit to support the insured person in their rehabilitation or retraining to return to work.	41
Funeral benefit	We will pay \$40,000 if the insured person dies while we are paying a loss of income benefit.	30
Hospitalisation benefit	We will pay a daily benefit if the insured person is in hospital for more than three days in a row during the wait period.	31
Suspension from practising cover	We can pay up to 75% of their pre-disability earnings if the professional governing body of the insured person suspends their practising certificate.	32
Specified injury option (optional benefit)	Pays a lumps sum benefit if the insured person suffers a specific injury.	33

Overview of your cover



Business Expenses cover

Who should have Business Expenses cover?

A person who is a sole trader, business partner, or small-business owner at risk of not being able to meet their commitments to business expenses if they can’t work due to sickness or injury.

Available benefits	What it provides	See page
Business expenses benefit	Pays their eligible business expenses if the insured person is unable to meet those expenses in part or in full due to sickness or injury. Where a locum is employed to perform the duties that the insured person cannot perform as a result of sickness or injury, we will include the cost of that employment as an eligible business expense.	34

Definitions for **eligible business expenses**, **injury**, **locum**, and **sickness** can be found in the [definitions section](#) of this document.

Insurance cover benefits



This section expands on the tables on pages 13 to 15 that summarise the cover provided under this policy.

The covers you have chosen, and optional benefits, will be shown in your schedule.

	Loss of Income cover
	Business Expenses cover

Loss of Income cover



Loss of Income cover



If you have selected Loss of Income cover, it will be shown in your schedule.

The following benefits are automatically included under your Loss of Income cover.

- Total disablement benefit
- Partial disablement benefit
- Parent leave benefit
- Income increase benefit
- Waiver of premium benefit
- Escalating benefit
- Funeral benefit
- Hospitalisation benefit
- Suspension from practising benefit

+ Optional benefit: Specified injury option
(see page 34)

+ Optional benefit: Inflation adjustment benefit
(see page 47)



If you have selected an optional benefit, it will be shown in your schedule.

A quick summary of Loss of Income cover

- Your cover pays a total disablement benefit or a partial disablement benefit if the insured person is unable to work due to sickness or injury.
- We will pay a loss of income benefit after the end of the wait period.
- We will pay a loss of income benefit four weekly in advance for Total disablement payments and four weekly in arrears for partial disablement payments.
- While you are receiving a total disablement benefit or a partial disablement benefit, we will waive your premiums.
- We can pay a hospitalisation benefit during the wait period.
- We can help with rehabilitation and retraining costs.
- We will pay a lump sum of \$40,000 to help with funeral costs if the insured person dies while receiving a loss of income benefit.

Please continue reading for more detailed information on Loss of Income cover.

Loss of Income cover



When you are eligible for a loss of income benefit

To be eligible for a loss of income benefit, the insured person must be:

- sick or injured causing them to be totally disabled from work and this is the sole reason for their absence from work
- totally disabled for 14 days in a row, and
- at least partially disabled throughout the full wait period.

We begin the wait period from the first day of the period of 14 days of continuous total disability.

We will assess your benefit from the end of the wait period.

If the insured person is totally disabled, we will calculate a total disablement benefit. If they are partially disabled, we will calculate a partial disablement benefit.

An insured person may move between receiving a total disablement benefit and a partial disablement benefit during a claim.

How we pay a loss of income benefit if the insured person is overseas

If the insured person is totally disabled or partially disabled while overseas we will continue to pay benefits, provided you and the insured person continue to meet our claim requirements.

Total disablement benefit

The total disablement benefit is the amount we will pay if the insured person is totally disabled.

To be considered totally disabled, the insured person must:

- be unable to work for more than 10 hours a week in their insured occupation due solely to sickness or injury
- not be doing any other paid work
- earn a weekly income of less than 75 percent of their pre-disability income, and
- be under the ongoing care of a registered medical practitioner for that sickness or injury and following their medical advice.

Loss of Income cover



How we calculate your total disablement benefit

We calculate your total disablement benefit as 75 percent of the insured person's pre-disability income, less any weekly income and other income they are entitled to, up to a maximum of the Loss of Income cover weekly benefit shown in your schedule.

Pre-disability income is the average weekly income the insured person earned in their insured occupation during any 12-month period of your choice, within the 36 months immediately before their total disablement.

For all claims made under the cover extension benefit, pre-disability income is the average weekly income the insured person earned in their insured occupation during the 12-month period immediately before their total disablement.

Weekly income is the amount the insured person earns each week, after deducting expenses but before personal deductions and income tax.

This includes:

- salary
- wages
- packaged fringe benefits
- commissions
- bonuses
- superannuation contributions.

If the insured person is self-employed, for example as a sole trader or as a partner in a business, weekly income also includes their share of the net profit (or loss) of the business (after deducting expenses).

Weekly income does not include unearned income such as investment income, interest, rental income, and proceeds from the sale of assets.

Other income is any other payments, entitlements, or benefits for the sickness or injury causing the insured person's disablement. This includes:

- sick-leave entitlements
- disability compensation or other entitlements from the Accident Compensation Corporation (ACC) or any other form of compulsory insurance scheme for loss of income
- other disability, group sickness, or accident insurance cover, including cover under a mortgage repayment policy, whether through a bank, superannuation fund, or other provider
- lump sum payments, where regular income payments are converted to a lump sum (we will offset up to 1 percent of the lump sum amount from their Loss of Income cover weekly benefit)
- personal grievance awards or any other awards or entitlements
- income the insured person receives or is entitled to receive from any business partnership, family trust, or company, not including investment income or payments under your policy for retraining and rehabilitation
- government superannuation payments.

Loss of Income cover



An example of a total disablement benefit

In this example, the insured person:

- has a Loss of Income cover weekly benefit of \$1,500 a week
- had a pre-disability income of \$2,000 a week
- continues to earn \$500 a week during their period of total disablement.

We would calculate your benefit as \$1,000 a week.
 (\$2,000 pre-disability income x 75% = \$1,500, less weekly income of \$500)

If the insured person was also entitled to receive other income of \$400 a week from ACC, your benefit would reduce to \$600 a week.

Calculation	Each week
Pre-disability income \$2,000 a week x 75%	\$1,500
less ongoing weekly income	\$500
less other income [ACC]	\$400
What we will pay	\$600

Payment of the Total disablement benefit

If you are entitled to a total disablement benefit, we will pay this every four weeks in advance, from the end of the waiting period. Any payment for a period of less than four weeks will be calculated on a pro-rata basis.

How long we can pay a Total disablement benefit for

You are entitled to a total disablement benefit until any of the following occurs.

- The insured person is no longer totally disabled.
- We have paid loss of income benefits for the full benefit term for any one sickness or injury. This could be across one or accumulated across multiple claims. At this point, that sickness or injury will become an excluded condition for the remainder of your policy.
- Cover ends for one of the reasons outlined on page 59.

Loss of Income cover



Partial disablement benefit

The partial disablement benefit is the amount we will pay if the insured person is partially disabled.

To be considered partially disabled, the insured person must:

- be unable to work in their insured occupation for the same hours or in the same capacity as before their total disablement, due solely to the same sickness or injury which caused their total disablement
- be under the ongoing care of a registered medical practitioner for that sickness or injury and following their medical advice
- earn a weekly income of less than 75 percent of their pre-disability income
- be working for more than 10 hours a week, and
- be unable to work for more than 40 hours a week.

How we calculate your partial disablement benefit

We calculate your partial disablement benefit as 75 percent of the difference between the insured person's pre-disability income and their weekly income (that they are either earning or capable of earning while disabled), less any other income they receive or are entitled to receive, up to a maximum of the Loss of Income cover weekly benefit shown in your schedule.

Pre-disability income is the average weekly income the insured person earned in their insured occupation during any 12-month period of your choice, within the 36 months immediately before their total disablement.

For all claims made under the cover extension benefit, pre-disability income is the average weekly income the insured person earned in their insured occupation during the 12-month period immediately before their total disablement.

Loss of Income cover



Weekly income is the amount the insured person earns each week, after deducting expenses but before personal deductions and income tax.

This includes:

- salary
- wages
- packaged fringe benefits
- commissions
- bonuses
- superannuation contributions.

If the insured person is self-employed, for example as a sole trader or as a partner in a business, weekly income also includes their share of the net profit (or loss) of the business (after deducting expenses).

Weekly income does not include unearned income such as investment income, interest, rental income, and proceeds from the sale of assets.

Other income is any other payments, entitlements, or benefits for the sickness or injury causing the insured person's disablement.

This includes:

- sick-leave entitlements
- disability compensation or other entitlements from the Accident Compensation Corporation (ACC) or any other form of compulsory insurance scheme for loss of income
- other disability, group sickness, or accident insurance cover, including cover under a mortgage repayment policy, whether through a bank, superannuation fund, or other provider
- lump sum payments, where regular income payments are converted to a lump sum (we will offset up to 1 percent of the lump sum amount from their Loss of Income cover weekly benefit)
- personal grievance awards or any other awards or entitlements
- income the insured person receives or is entitled to receive from any business partnership, family trust, or company, not including investment income or payments under your policy for retraining and rehabilitation
- government superannuation payments.

Loss of Income cover



An example of a partial disablement benefit

In this example, the insured person:

- has a Loss of Income cover weekly benefit of \$1,500 a week
- had a pre-disability income of \$2,000 a week
- continues to earn (or is capable of earning) \$1,000 a week.

We would calculate your benefit as \$750 a week.

$(\$2,000 - \$1,000 = \$1,000. \$1,000 \times 75\% = \$750)$

If they were also entitled to receive other income of \$300 a week from ACC, your benefit would reduce to \$450 a week.

Calculation	Each week
Pre-disability income	\$2,000
less ongoing weekly income	\$1,000
	\$1,000
x75%	\$750
Less other income (ACC)	\$300
What we will pay	\$450

Payment of the Partial disablement benefit

If you are entitled to a partial disablement benefit, we will pay this every four weeks in arrears. If you are moving from a total disablement benefit to a partial disablement benefit, your first partial disablement payment will be paid in advance at the same rate as your total disablement benefit. After that, your partial disablement benefits will be paid every four weeks in arrears.

How long we can pay a Partial disablement benefit for

You are entitled to the partial disablement benefit until any of the following occurs.

- The insured person is no longer partially disabled.
- We have paid loss of income benefits for the full benefit term for any one sickness or injury. This could be across one or accumulated across multiple claims. At this point, that sickness or injury will become an excluded condition for the remainder of your policy.
- Cover ends for one of the reasons outlined on page 59.

Loss of Income cover



Parent leave benefit

The parent leave benefit is the amount we will pay if the insured person has taken unpaid leave to provide full-time care for their child.

To be eligible for a parent leave benefit, the insured person must:

- be the parent of a child who requires full-time care for a minimum of four weeks in a row due to sickness or injury
- have taken leave without pay from their insured occupation, or stopped being available for any gainful employment for a minimum of four weeks in a row, to support the care of their child
- have been working in gainful employment immediately before their child's sickness or injury.

We will not pay a parent leave benefit if any of the following occurs.

- The child's sickness or injury was present at birth, or occurred within the first three months of life.
- The child's sickness or injury is a direct or indirect result of any pre-existing condition that you or the insured person knows, or could be reasonably expected to know, exists on:
 - the policy start date

- the cover start date of any benefit increase or variation to your policy
- the reinstatement date following a suspension of cover
- the reinstatement date following a reinstatement of cover
- the date we apply any enhancements to your policy
- The child's sickness or injury is a direct or indirect result of an action that you, the insured person, or the child's parent or guardian intentionally caused.

We will consider medical advice, including the opinion from a registered medical practitioner that we approve, to determine if:

- full-time care of the child is required, and
- the need for full time care was caused directly by an injury or sickness, that first occurred after the cover start date.

Loss of Income cover



How we calculate your parent leave benefit

We calculate your parent leave benefit as 75 percent of the insured person's pre-disability income, less any weekly income and other income they are entitled to, up to of the lesser of the Loss of Income cover weekly benefit shown in your schedule or \$1,500 per week.

Pre-disability income is the average weekly income the insured person earned in their insured occupation during any 12-month period of their choice within the 36 months immediately before their child required full-time care.

Weekly income is the amount the insured person earns each week, after deducting expenses but before personal deductions and income tax.

This includes:

- salary
- wages
- packaged fringe benefits
- commissions
- bonuses
- superannuation contributions.

If the insured person is self-employed, for example as a sole trader or as a partner in a business, weekly income also includes their share of the net profit (or loss) of the business (after deducting expenses).

Weekly income does not include unearned income such as investment income, interest, rental income, and proceeds from the sale of assets.

Other income is any other payments, entitlements, or benefits for the sickness or injury causing the insured person's disablement.

This includes:

- sick-leave entitlements
- disability compensation or other entitlements from the Accident Compensation Corporation (ACC) or any other form of compulsory insurance scheme for loss of income
- other disability, group sickness, or accident insurance cover, including cover under a mortgage repayment policy whether through a bank, superannuation fund, or other provider
- lump sum payments, where regular income payments are converted to a lump sum (we will offset up to 1 percent of the lump sum amount from their Loss of Income cover weekly benefit)

Loss of Income cover



- personal grievance awards or any other awards or entitlements
- income the insured person receives or is entitled to receive from any business partnership, family trust, or company, not including investment income or payments under your policy for retraining and rehabilitation
- government superannuation payments.

If you are entitled to a Parent leave benefit, we will pay this every four weeks in advance, from the end of the waiting period.

If the insured person is insured under multiple MAS policies with parent leave benefits, we will pay a maximum of \$1,500 per week, across all policies.

How long we can pay a claim

You are entitled to a parent leave benefit until any of the following occurs.

- The child of the insured person no longer requires full-time care.
- The insured person is no longer taking leave without pay.
- We have paid parent leave benefits for 26 weeks for any one sickness or injury for a child. This could be across one or accumulated across multiple claims. At this point, that sickness or injury for that child will become an excluded condition for the remainder of your policy.
- Cover ends for one of the reasons outlined on page 59.

When this benefit ends

This benefit ends after we have paid parent leave benefits for a period of 52 weeks. This could be across two or accumulated across multiple claims.

Loss of Income cover



Income increase benefit

If the insured person's income increases before their 55th birthday, you can apply to increase the Loss of Income cover weekly benefit, without the need for further medical evidence.

How much cover you can add

You can apply to increase your Loss of Income cover weekly benefit by whichever is less:

- 75 percent of the amount of the increase in income
- 15 percent of your existing Loss of Income cover weekly benefit
- \$300.



An example of an income increase benefit

In this example, the insured person:

- has a Loss of Income cover weekly benefit of \$1,500 a week
- has an increase in annual income of \$10,000.

We would calculate your increase in weekly benefit as \$144 a week.

$(\$10,000 \times 75\% = \$7,500. \$7,500 / 52 = \$144.)$

This is the lessor of 75% of the increase in annual income, 15% of the existing weekly benefit (\$225), and our maximum increase of \$300 per week.

Conditions applying to the income increase benefit

To receive an income increase benefit:

- your policy must have been in force for more than 12 months
- we must receive your written request to increase the Loss of Income cover weekly benefit within:
 - 180 days of the increase in income occurring, or
 - 30 days before or after the renewal date that follows the increase in income
- you must provide certain financial evidence, acceptable to us, of the increase in income.

We will apply the same terms, conditions, and limitations as the most recent Loss of Income cover weekly benefit (and you will not need to tell us about any change in the insured person's health or activities).



If you have an excluded condition on your Loss of Income cover weekly benefit and you apply to increase your weekly benefit, the increase will also have this excluded condition.

You can apply for an income increase benefit once in any 12-month period.

Loss of Income cover



The increase in Loss of Income cover weekly benefit will apply from the date we communicate that we have accepted your application for an income increase benefit. We will automatically increase your existing premiums to reflect this change, based on our current premium rates.

The increase is not payable for sickness in the first six months

During the first six months from the cover start date of the increase, we will only pay the increased Loss of Income cover weekly benefit if the insured person's claim is caused solely by an injury.

Situations when an income increase benefit is unavailable

An income increase benefit is unavailable if:

- you are entitled to make a claim under this policy, whether or not you have made one
- the insured person was eligible for a loss of income benefit or business expenses benefit within the last 12 months, whether payable or not
- your policy is on a Premium holiday
- we are paying premiums for the insured person under the waiver of premium benefit, or
- the insured person is currently undertaking a continuous period of leave without pay from their insured occupation.

When the income increase benefit ends

The income increase benefit ends when:

- the insured person's weekly benefit (excluding Business Expenses) reaches a total of \$4,500 across all MAS policies
- the insured person turns 55
- the cover ends for one of the reasons outlined on page 59.

Loss of Income cover



A waiver of premium benefit applies while we pay a disablement benefit

While we pay a loss of income benefit, we will waive or refund your premiums.

This will include a refund of any premium or portion of any premium you have paid during the wait period.

We will stop waiving your premium when you are no longer entitled to receive a loss of income benefit.

An escalating benefit helps keep your benefit in line with inflation

If we have been continuously paying a loss of income benefit for 12 months, and the insured person (who must be under 65) continues to be disabled and entitled to a loss of income benefit, we will adjust the benefit for inflation. We will make this adjustment every 12 months on the anniversary of the date we first paid you the Loss of Income cover weekly benefit.

We will increase the benefit and the pre-disability income amount by the current indexation factor to a maximum of 5 percent.

We will continue to apply this escalating benefit for the insured person until:

- they are no longer entitled to receive a loss of income benefit
- the benefit term expires, or
- the cover ends for one of the reasons outlined on page 59.

After your claim ends, we will offer you the ability to increase the Loss of Income cover weekly benefit to the amount the benefit increased to at the end of your claim. If you accept our offer, your premiums will be increased in line with the new Loss of Income cover weekly benefit.

Loss of Income cover



A funeral benefit helps with funeral and other related costs

If the insured person dies while receiving a loss of income benefit, we will pay a lump sum of \$40,000.

If they have multiple MAS policies with funeral benefits, we will pay a maximum of \$40,000 across all policies.

We may pay the funeral benefit to your personal legal representatives or nominated beneficiary. If you haven't let us know in writing who you nominate as a beneficiary, we may treat your spouse or partner as your nominated beneficiary.

Loss of Income cover



A hospitalisation benefit provides support while in hospital

We will pay the hospitalisation benefit if the insured person is hospitalised or confined to bed due to sickness or injury during the wait period of the Loss of Income cover.

The amount we will pay is the Loss of Income cover weekly benefit shown in your schedule, divided by seven for each day of hospitalisation or bed confinement.

They must be hospitalised (on the advice of a registered medical practitioner) or confined to bed (for at least 18 hours a day under the care of a registered nurse). For a hospitalisation benefit to be payable, this must continue for more than three days in a row.

We will pay the hospitalisation benefit until:

- the insured person is no longer hospitalised or confined to bed
- the wait period ends
- the insured person starts receiving loss of income benefits
- the insured person has received daily payments for the term of the wait period for the same sickness or injury, or
- cover ends for one of the reasons outlined on page 59.

Once the insured person has received daily entitlements equal to the wait period for any one sickness or injury, they can no longer receive the hospitalisation benefit for that condition. This applies across all future claims.

Loss of Income cover



A suspension from practising benefit provides support during a suspension

If the insured person is unable to work in their insured occupation because their practising certificate has been suspended, we will pay a suspension from practising benefit.

To be considered for a suspension from practising benefit, the insured person must:

- be continuously unable to practise in their insured occupation after the end of the wait period shown in your schedule, and
- not be working in any other occupation for pay or reward.

The wait period will start on the date the insured person is required to stop practising, as set out in the communication from the appropriate governing body.

To be entitled to this benefit, the insured person must have:

- received written confirmation from their governing professional body that they are not permitted to practise in their insured occupation
- been suspended for reasons other than not renewing their practising certificate

- fully complied with recommendations and requirements to reinstate their practising certificate
- not previously claimed for, and been paid, this benefit (it is only available once under your policy)
- not been found guilty of intentional malpractice or negligence, and
- not been charged with (unless charges have been withdrawn or dismissed) or convicted of committing a criminal act in connection with the suspension.

We will pay 75 percent of the pre-disability income, less any weekly income and other income they receive or are entitled to receive up to a maximum of the Loss of Income cover weekly benefit shown in your schedule.

The insured person is entitled to a suspension from practising benefit until any of the following occurs.

- They are no longer suspended from practising.
- We have paid claim entitlements for a total period of 16 weeks.
- Cover ends for one of the reasons outlined on page 59.

If you are entitled to a Suspension of practising certificate benefit, we will pay this every four weeks in advance, from the end of the waiting period.

Loss of Income cover



Specified injury option

If the specified injury option is shown in your schedule, we will pay a specified injury benefit if the insured person suffers any of the following injuries whether the insured person is working or not.

How we calculate your specified injury

We calculate your specified injury payment by multiplying your weekly benefit by the payment term listed for your injury in the table beside. This amount is not subject to other income. We will calculate the payment from the date the insured person suffers the injury and will pay this as a lump sum.

We will only pay one specified injury benefit per injury. If the insured person has more than one injury from the same accident, we will pay for the injury with the highest payment.

If the injury later becomes a more serious injury (from the same accident) that has a higher payment term, we will pay the difference between what we already paid and the higher amount. We will only pay this difference if the policy and this option are both still in force.

The specified injury benefit is payable instead of the total disablement or partial disablement benefit.

Specified injury	Payment term
1. Fracture of skull, jaw, forearm, wrist, collarbone, upper arm, shoulder, elbow, kneecap, ankle, heel, vertebrae, or fracture of leg below the knee (tibia or fibula)	6 weeks
2. Fracture of leg above the knee (femur), pelvis	12 weeks
3. Loss of thumb and index finger of the same hand	26 weeks
4. Loss of one foot or one hand or sight in one eye	26 weeks
5. Loss of one leg or arm	26 weeks
6. Loss of both feet or both hands or sight of both eyes, or loss of any combination of two of: a hand, a foot, sight in one eye	26 weeks
7. Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia)	26 weeks

Loss of Income cover



Fracture means the disruption in the continuity of bone, with or without displacement, as a result of an accident. The fracture must be shown by radiographic or scanning techniques and must be diagnosed by a registered medical practitioner within 30 days of the incident giving rise to the fracture.

Fracture doesn't include:

- osteoporotic fractures
- an avulsion fracture
- a hairline fracture
- stress fracture, or
- bone bruising.

We will cover the same specified injury that happens due to a new accident

If we have paid a claim for a specified injury under this benefit, we can cover the insured person if they suffer the same specified injury again. However, both of the following must apply:

- the injury must be caused by a new accident
- the injury must not be related to any previous injury we've paid a claim for and that the insured person hasn't fully recovered from.

What happens if the disablement is longer than the payment term

If the insured person remains totally disabled or partially disabled after the payment term has ended, the total disability or partial disability benefit (whichever is applicable) will commence.

If your wait period is longer than the payment term, your wait period will be the wait period shown in your schedule, less the payment term, starting from the date of the specified injury.

We will reduce your benefit period by the length of the payment term.

Business Expenses cover



Business Expenses cover

 If you have selected Business Expenses cover, it will be shown in your schedule.

The following benefit is automatically included under your Business Expenses cover.

- **Business expenses benefit**

- + **Optional benefit: Inflation adjustment benefit (see page 47)**

 If you have selected this optional benefit, it will be shown in your schedule.

A quick summary of Business Expenses cover

Your cover pays the ongoing eligible business expenses the insured person is responsible for and the business is unable to meet, if the insured person is unable to work due to sickness or injury. Eligible business expenses include the following.

- Rent of business premises
- Interest on business loans

- The gross amount of salaries and related costs for employees who must be retained to support the continuation of the business but are totally unable to earn income
- The cost of employing a locum to work in place of the insured person
- Insurance and indemnity premiums
- Normal business services such as electricity, gas, water, telephone, laundry, cleaning, and maintenance
- Accounting and audit fees
- Advertising expenses and professional subscriptions
- Equipment or motor vehicle lease costs
- Depreciation of business equipment, being the depreciation expense that would be an allowable deduction for that year
- Any other fixed expenses that are normal in the running of the insured person's business

All expenses are in line with the allowable deductions under the Income Tax Act 2007

Please continue reading for more detailed information on Business Expenses cover.

Business Expenses cover



When you are eligible for a business expenses benefit

To be eligible for a business expenses benefit, the insured person must be:

- sick or injured causing them to be totally disabled from work, and this is the sole reason for their absence from work, and
- totally disabled throughout the full wait period.

We begin the wait period from the first day of continuous total disability. We will calculate the business expenses benefit at the end of the wait period.

Business expenses benefit

The business expenses benefit is the amount we will pay if the insured person is totally disabled and their business cannot generate enough income to pay their full eligible business expenses.

To be considered totally disabled, the insured person must:

- be unable to work for more than 10 hours a week in their insured occupation due solely to sickness or injury
- not be doing any other paid work, and
- be under the ongoing care of a registered medical practitioner for that sickness or injury and be following their medical advice.

Business Expenses cover



How we calculate your business expenses benefit

We calculate your business expenses benefit as the eligible business expenses the business incurs, less income received by the business and reimbursements, up to a maximum of the Business Expenses cover weekly benefit shown in your schedule.

Reimbursements are any amount the insured person or the business receives, or is entitled to receive, from any other source for reimbursement of the eligible business expenses.

If you are entitled to a business expenses benefit, we will pay this monthly in arrears.



An example of a business expenses benefit

In this example, the insured person:

- has a Business Expenses cover weekly benefit of \$1,600
- during their total disablement incurs eligible business expenses of \$2,000 a week
- has reduced business income which only meets \$400 a week of their eligible business expenses.

We would calculate your benefit as \$1,600.

Calculation	Each week
Eligible business expenses	\$2,000
less continuing income	\$400
What we will pay	\$1,600

Business Expenses cover



The cost of employing a locum is an eligible business expense

If a locum is employed in the place of the insured person, the net cost of the locum is an eligible business expense. Any income generated by that locum will be considered income received by the business.



An example of a business expenses benefit when employing a locum

In this example, the insured person:

- has a Business Expenses cover weekly benefit of \$1,600
- during their total disablement incurs eligible business expenses of \$2,000 a week
- the business employs a locum who costs \$2,500 a week
- the business has continuing income of \$1,000 a week
- the locum generates an income of \$2,100 a week.

We would calculate your benefit as \$1,400.

Calculation	Each week
Eligible business expenses	\$2,000
plus cost of a locum	\$2,500
Total business expenses incurred	\$4,500
less continuing income	\$3,100
What we will pay	\$1,400

Definitions for **eligible business expenses**, **locum**, and **total disablement** can be found in the [definitions section](#) of this document.

Business Expenses cover



How long we can pay a business expenses claim for

You are entitled to the business expenses benefit until any of the following occurs.

- The insured person is no longer totally disabled.
- We have paid claim entitlements for a total period equal to the benefit term for any one sickness or injury. At this point, that sickness or injury will become an excluded condition for the remainder of your policy.
- Cover ends for one of the reasons outlined on page 59.

The Business Expenses cover does not apply to partial disablement.

Benefits shared by more than one insurance cover



In the previous section, we described the benefits specific to each insurance cover. This section explains the benefits shared by more than one insurance cover.

Recurrent disability benefit

Applies to



Loss of
Income



Business
Expenses

Benefit payments can start immediately if the insured person (who must be under 65) experiences a relapse within 12 months.

For a loss of income claim, we will not apply the wait period if they experience a further period of total or partial disablement, from either the same or a new sickness or injury, within 12 months of the entitlement to a loss of income benefit ending.

For a business expenses claim, we will not apply the wait period if they experience a further period of total disablement, from either the same or a new illness or injury, within 12 months of the entitlement to a loss of income benefit ending.

You need to tell us immediately about their recurring disablement, and they must be under the ongoing care of a registered medical practitioner for the sickness or injury and be following their medical advice. Any claim assessed under the recurrent disability benefit will be considered a continuation of the previous claim and will be assessed against the previous pre-disability occupation and income.

We will apply the wait period for a new illness or injury if the result of not applying it means you become ineligible for a cover extension benefit.

Benefit term reduction for recurrent claims

You can claim for the same sickness or injury more than once.

For benefit terms of five years or less, we will reduce the benefit term by the previous periods for which we have already paid a loss of income benefit, for that sickness or injury.

The sickness or injury will be excluded under your policy once we have paid a loss of income benefit for a total period equal to the benefit term.

Benefits shared by more than one insurance cover



Rehabilitation and retraining benefit

Applies to



Loss of
Income



Business
Expenses

We can pay up to 26 times the insured person's weekly benefit to support their rehabilitation or retraining to return to gainful employment.

For the insured person to be entitled to this rehabilitation and retraining benefit:

- they must be within the wait period, or be entitled to receive a loss of income or business expenses benefit
- we agree to the rehabilitation or retraining expenses before they are incurred
- they cannot secure reimbursement or payment for these expenses from anyone else, and
- they must be working with us and other health providers to create an individual treatment or rehabilitation programme and following it to the best of their ability.

If the insured person does not comply with medical treatment or a rehabilitation programme, we may end or restrict benefits.

The maximum rehabilitation and retraining benefit for any one sickness or injury is 26 times the weekly benefit, irrespective of the number of policies the insured person is insured under. This could be across one or accumulated across multiple claims. Where the insured person has both loss of income cover and business expenses cover, we will use the higher weekly benefit.

If we pay a rehabilitation benefit, this does not mean we automatically accept liability to pay any other benefits under this policy.

Benefits shared by more than one insurance



Fellowship and study leave benefit

Applies to



Loss of
Income



Business
Expenses

If the insured person reduces their working hours or stops work to complete a fellowship or undertake further career-based study, of more than three months in a row, you can, choose to continue to pay premiums or apply to have premiums suspended.

Cover under your policy will automatically end on the date the fellowship or study leave exceeds 36 months in a row.

Option 1 - Continue to pay premiums and maintain cover

If you choose to continue to pay premiums, cover will continue during the period of study.

If the insured person experiences a sickness or injury resulting in total disablement, we will start paying benefit entitlements under your policy either from the end of the wait period or the end of the scheduled period of study, whichever is later.

You must inform us as soon as you can and no more than 90 days after the anniversary date

following the commencement of the study leave and provide evidence and details of your study leave, including the study leave period start date if required.

The maximum weekly benefit payable will be the lesser of:

- the Loss of Income cover weekly benefit shown in the schedule
- 75% of the pro-rata pre-disability income less any weekly income and other income they receive or are entitled to receive.

Option 2 - Suspend premiums and cover

If you choose to suspend premium, cover will be suspended during the period of study until it is restarted as set out on page 43.

The Fellowship and study leave benefit is only available if:

- the policy has been continuously in force, and premiums have been paid for at least 12 months in a row immediately before suspension, and
- you have applied to suspend premiums and cover, and we have agreed to it.

The fellowship and study leave benefit will apply for:

- a minimum period of fellowship or study leave of three months in a row, and

Benefits shared by more than one insurance



- a maximum period of fellowship or study leave of 36 months in a row – starting from the time we receive your written request or the date the insured person reduces work hours or stops work, whichever is later.

If the insured person experiences a sickness or injury resulting in total disablement during the period of suspension, we will consider the sickness or injury a pre-existing condition at the time cover is restarted and will not pay a weekly benefit for any claim affected by that pre-existing condition.

You must apply to restart premiums and cover within two months of the insured person's full return to work. If we do not receive an application in writing from you to restart cover within this time, your policy will be automatically cancelled.

Cover will restart if all the following conditions are met.

- The insured person has fully returned to work in their insured occupation.
- The insured person's period of employment since returning to work has been continuous.
- The insured person's return to work occurred within 36 months of the start of their study leave.
- We have received and approved your application to restart cover.
- You have restarted paying premiums.

Waiver of 14-day total disablement period

Applies to



Loss of
Income



Business
Expenses

If the insured person is totally or partially disabled as a result of one of the following conditions, we will waive the requirement for them to be totally disabled for 14 days in a row before their wait period starts. We will begin the wait period from the first day of total disablement or partial disablement. We will assess your benefit from the end of the wait period.

- Severe rheumatoid arthritis
- Dilated cardiomyopathy
- Early-stage dementia / Alzheimer's
- End-stage kidney failure
- Emphysema
- Eye – macular degeneration
- Huntington's disease
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular dystrophy
- Parkinson's Disease

The waiver of premium benefit starts once we pay a loss of income benefit.

Benefits shared by more than one insurance



Childcare support benefit

Applies to



The childcare support benefit is the amount we will pay if the insured person incurs additional childcare costs because of their total or partial disability.

To be eligible for a childcare support benefit the insured person must:

- be totally disabled or partially disabled and is receiving a weekly benefit
- need help with extra childcare because of their total or partial disability.

The child getting care must be under 14 years old when the insured person first becomes totally disabled or partially disabled.

The person giving the childcare cannot be you or an immediate family member of the insured person or the child. If the child was already getting childcare before the insured person became totally disabled or partially disabled, we will only reimburse you for the cost of any extra care.

What we will reimburse

We will reimburse the lesser of:

- the actual additional childcare costs
- \$500 per week per child under 14.

You must provide evidence satisfactory to us each month of the additional childcare fees that have been paid before we can reimburse you.

If you are entitled to a childcare support benefit, we will pay this every four weeks in arrears.

How long we can pay a claim

You are entitled to a childcare support benefit once per eligible event until any of the following occurs,

- The insured person is no longer totally disabled or partially disabled
- We have paid this benefit for a total period of 26 weeks
- Cover ends for one of the reasons outlined on page 59.

We will pay only one childcare support benefit in any 12-month period. We will pay a maximum of two childcare support benefit claims during the term of this policy.

If the insured person is insured under multiple MAS policies with childcare support benefits, we will pay a maximum of \$500 per week, across all policies.

Benefits shared by more than one insurance



Cover extension benefit

Applies to



Loss of
Income



Business
Expenses

If you are not eligible to receive a loss of income benefit or business expenses benefit when the insured person turns 65, whether payable or not, your policy will continue through until they turn 70.

We will automatically make the following changes to your policy.

- Pre-disability income will be defined as the average weekly income the insured person earned in their insured occupation in the 12-month period immediately before their total disablement.
- Your premiums will be stepped premiums.
- Your maximum benefit term will be two years (if you have a one-year benefit period, your benefit term will be a maximum of one year).
- Your cover end age will be age 70.

All other terms and conditions remain unchanged. If you are in a claim wait period when the insured person turns 65, we will pay your claim under the terms of this benefit when the wait period ends.

This benefit will not apply if you are eligible to receive a loss of income benefit or business expenses benefit when the insured person turns 65. Your policy will end when your claim ends.

The premium holiday benefit is not available under the Cover extension benefit.

Benefits shared by more than one insurance



Repatriation benefit

Applies to



Loss of
Income



Business
Expenses

If the insured person dies outside of New Zealand, we will pay the policy owner \$10,000 to help return the insured person's body to New Zealand or their home country once we receive evidence that is acceptable to us.

If the insured person dies within New Zealand, we will pay the policy owner \$10,000 to help return the insured person's body to their home country once we receive evidence that is acceptable to us.

We will pay this benefit in addition to any entitlement to a funeral benefit under this policy.

If the insured person is the sole policy owner, we will pay the person that has paid for the cost of repatriation once we receive evidence that is acceptable to us.

The maximum amount we will pay for this benefit is \$10,000 across all MAS policies for that insured person.

This benefit will not apply if:

- the insured person's journey overseas was taken against the advice of a registered medical practitioner, or
- repatriation expenses are covered by any other provider (including the New Zealand Government).

Benefits shared by more than one insurance



Inflation adjustment benefit

Applies to



Loss of
Income



Business
Expenses

You can select the inflation adjustment benefit for each Loss of Income cover weekly benefit or Business Expenses cover weekly benefit. If you have selected the inflation adjustment benefit, it will be shown in your schedule.

For each Loss of Income cover weekly benefit and Business Expenses cover weekly benefit you have selected the inflation adjustment benefit for, we will:

- increase the benefit every 12 months for inflation
- automatically increase the benefit on your renewal date by the greater of 2 percent or the indexation factor
- apply the same terms, conditions, and limitations as the original benefit (and you will not need to tell us about any change in the insured person's health or activities), and
- automatically adjust your premiums to reflect each increase.

When we won't make inflation adjustments

We will not increase the Loss of Income cover weekly benefit or Business Expenses cover weekly benefit for inflation if:

- you tell us in writing not to apply the increase
- we are currently paying you a benefit
- the increased amount exceeds our underwriting limits at the time
- your cover continues under the cover extension benefit.

How your policy works

In this section you'll find:

How the claims process works



We want to make the claims process as simple and stress-free as possible.

Please tell us as soon as you can of any event that may lead to a claim. To make a claim, your policy and the cover you are claiming under must still be in force at the time of the event.

We will talk you through the claims process and give you the claim forms to complete.



Call us on
04 912 4796



Email us at
disabilityclaims@mas.co.nz

How the claims process works



Information we may ask you for when making a claim

Cover	We may ask for	You need to tell us within
Loss of Income Business Expenses	- completed claim forms - proof of the sickness or injury that the claim is being made for - proof of the loss of income - proof of the business expenses - proof of age of the insured person – for example, a passport or driver's licence.	30 days of any event that may lead to a claim.
Hospitalisation benefit	- hospital discharge form - proof of bed confinement.	30 days of any event that may lead to a claim.
Repatriation benefit	- your completed claim forms - proof of the cost incurred - proof of death (if their death occurred overseas, we prefer it to be registered in New Zealand so that a New Zealand death certificate can be obtained) - proof of the age of the insured person – for example, a passport or driver's licence - proof repatriation expenses are not covered by any other provider (including the New Zealand Government) - proof the insured person did not receive medical advice not to travel overseas from a registered medical practitioner.	12 months from the date the insured person died.
Suspension of practising certificate	written communication from the appropriate governing body of the suspension including the date of suspension.	30 days of any event that may lead to a claim.

How the claims process works



For any claim you make under your policy, we may ask you for more information. This could include:

- proof of payment (if you are claiming for a reimbursement)
- the medical history of the insured person
- details of the insured person's activities
- other insurance policies and claims relating to the insured person
- any other information we need to assess the entitlements under your policy.

Please make sure you provide us with this information within 90 days of our request.

You will be responsible for any costs of completing these forms and information requests.

We will need at least 30 days after receiving this information before we can begin payments.

To help us assess your claim, we may need to take some extra steps. These steps could include:

- a suitably qualified registered medical practitioner (or other health professional of our choice) examining the insured person or giving them a functional capacity evaluation
- meeting with you or the insured person to discuss the circumstances surrounding the claim

- asking for more information about the insured person's employment circumstances
- an accountant of our choice verifying the insured person's income and/or expenses before and during their disablement (this may involve a financial audit)
- completing a signed authority so we can obtain information relevant to your claim from third parties such as government departments, regional health authorities, medical practitioners, and other insurance providers.

We will meet the costs of these extra steps, including any reasonable travel costs, if we ask to meet with you.

We will only make a claim payment after we have received all the information we need, and we are satisfied that the claim is legal and valid.

If we approve benefit payments, we will require the insured person and their registered medical practitioner to complete monthly claim forms so that we are kept informed about their condition.

How the claims process works



When we pay a claim

We pay benefits to the policy owner

Unless stated otherwise, we make all payments to the policy owner. We make payments directly to the New Zealand bank account chosen by the policy owner or their legal personal representative. If we agree to make payments to an overseas bank account, the policy owner or personal legal representative: will be responsible for any associated fees and charges. Payment is in New Zealand dollars.

We pay benefits every four weeks

If you are entitled to a Loss of Income cover total disability benefit, a Suspension of practising certificate benefit, or a Parent leave benefit, we will pay these every four weeks in advance, from the end of the waiting period, so long as we have received all necessary evidence. We will pay all other benefit entitlements every four weeks in arrears. If we need to pay for part of a week, we will calculate this using 1/7th of the weekly benefit for each day that you are entitled to be paid.

Taxation on benefit payments is your responsibility

All claim payments we make to you are before tax or other tax deductions.

We do not make any tax payments on your behalf. As the policy owner, you are responsible for paying any tax on the benefit payments we make to you.

If you have not returned, or are not required to return, the benefit payments as income for tax purposes, we will reduce the amount of the benefit payment by an amount equal to the tax that would have applied.

If you do not agree with our interpretation of the taxation on benefit payments, please contact us and provide information to support your position.

If your claim is for an injury

If your disablement is potentially covered under the Accident Compensation Act 2001, or any other Act that succeeds it, you must also seek any entitlement to a benefit payment you may have with the Accident Compensation Corporation (ACC).

How the claims process works



When we will limit, suspend, or not pay a benefit

In some circumstances, we will limit or not pay a benefit amount.

When we may adjust your benefits or decline them

We may adjust your benefit payments or decline your claim if:

- we have suspended your benefit payment for more than 90 days
- you or the insured person provide us with any incorrect information, or
- you or the insured person do not provide information that we consider relevant to the claim.

When we will limit a benefit

We will calculate the insured person's loss of income benefit to reflect any other income and weekly income they receive.

Every arrangement you or the insured person enters will not affect your policy if one of its purposes or effects is to alter pre-disability income, other income, or weekly income while totally or partially disabled.

This will apply even where one of the purposes for the arrangement relates to ordinary business or family dealings.

When an arrangement is ignored, we will adjust the benefit to counter any advantage the insured person gains from the arrangement under your policy.



Example

If your pre-disability income in the 12 months immediately before the claim is made up of:

- a salary of \$60,000
- a director's fee of \$15,000
- net operating company profit of \$40,000 (retained in the company)

we will calculate the insured person's pre-disability income as \$115,000.

How the claims process works



If, at any time during your claim, a change is made from ownership of a company to a family trust, and the insured person's continuing entitlement to business income is distributed via trust beneficiaries, this arrangement will be ignored under your policy.

We will adjust the insured person's benefit to recognise the entitlement to continuing business income, regardless of the new arrangement.

When we set the Loss of Income cover weekly benefit at your policy start date and calculate pre-disability income, we may consider income the insured person earns or is entitled to receive from any business partnership, family trust, company, or other entity.

While the insured person is totally disabled or partially disabled, we may adjust the benefit if we believe they are not receiving a similar level of income from any business partnership, family trust, company, or other entity compared to the pre-disability income from that source.



Example

If the pre-disability income includes income distributed to the insured person through Family Trust No. 1 and this income continues during the total disablement or partial disablement claim, we will consider it weekly income when calculating the benefit amount.

If, during the claim period, the insured person's income is redirected to Family Trust No. 2, we will ignore this arrangement. We will adjust the benefit to recognise the entitlement to continuing business income, regardless of the changes.

Reasons we may suspend your benefit payments

We may suspend payments if you do not provide us with evidence of the insured person's:

- disablement
- continuing disablement
- loss of income within 60 days of us asking for that evidence.

How the claims process works



Reasons we will not pay a benefit

We will not pay a benefit under your policy if the sickness or injury leading to the claim is caused directly or indirectly by any of the following:

- war or war-like activities
- a self-inflicted act (whether the insured person is sane or insane)
- participation in any criminal activity
- alcohol or drug misuse or dependency, unless the insured person complies with a medically approved treatment or rehabilitation programme
- any pre-existing condition that the insured person knows, or could be reasonably expected to know, exists (unless the insured person tells us, and we accept the condition) on:
 - the policy start date
 - the cover start date of any benefit increase or variation to your policy
 - the reinstatement date following a suspension of cover
 - the reinstatement date following a reinstatement of cover
 - the date we apply any enhancements to your policy

- pregnancy or childbirth, including a pregnancy with multiples, threatened miscarriage, in-vitro fertilisation or similar treatment, normal discomforts (such as morning sickness, tiredness, backache, varicose veins, ankle swelling, and bladder problems), and abnormal conditions during the four weeks before delivery and six weeks after delivery
- any condition or circumstance specifically excluded in your schedule.

We will not pay any benefits while the insured person is in jail or under home detention.

How the claims process works



We will not pay a parent leave benefit if any of the following occurs.

- The child's sickness or injury was present at birth or occurred within the first three months of life.
- The child's sickness or injury is a direct or indirect result of any pre-existing condition that you or the insured person knows, or could be reasonably expected to know, exists on:
 - the policy start date
 - the cover start date of any benefit increase or variation to your policy
 - the reinstatement date following a suspension of cover
 - the reinstatement date following a reinstatement of cover
 - the date we apply any enhancements to your policy.
- The child's sickness or injury is a direct or indirect result of an action that you, the insured person, or the child's parent or guardian intentionally caused.

Policy ownership



The policy owner has all rights under your policy and will receive all benefits under it.

The policy owner is the only person who can make decisions and changes under your policy. If you are the insured person and not a policy owner, you do not have any rights under this policy.

The policy owner can be an individual, more than one individual, or a company, and are named in your schedule.

Where there is more than one policy owner, they will jointly own the policy and the following rules apply.

- All policy owners must agree to any decision impacting the policy.
- When we request, or are given, information from any one policy owner, we will treat the information as having been provided and approved by all policy owners.
- When we give information to any one policy owner, we will treat that as giving it to all policy owners (unless you have asked us to do otherwise).

If a policy owner dies, the ownership of the policy will remain with the remaining policy owners. The ownership will not transfer to the estate of the deceased policy owner.

Changing policy ownership

The policy owner(s) can change ownership of the policy at any time. To make a change, you will need to contact us.

The change of policy owner will come into force when we register the deed of assignment and confirm this with you in writing.

If you remove yourself as a policy owner, you will give up all rights and obligations under this policy.



Before you act

Before changing ownership, you need to clearly understand the implications of the change. Please talk to your MAS Adviser.

Starting, changing, and ending your policy



When your policy starts

The policy start date for your policy is shown in your schedule.

We will automatically renew your policy every 12 months until cover ends, so long as you continue to pay your premiums and meet the terms and conditions of your policy.

Your cover will start on the cover start date shown in your schedule for each cover you have selected.

Changing your policy

It is possible to change some aspects of your cover. You can change your policy to:

- add or remove a cover
- increase or decrease the weekly benefit
- add or remove an inflation adjustment benefit
- change how often and how you pay your premiums.

You must write to us to request any change and include any required forms. To assess your request, we may need more information from you or the insured person.

If we approve your request, we will update your policy, adjust your premiums (if necessary), and provide you with an updated schedule. Any change to your premiums will start from the date of the approved change.



Before you act

Talk to your MAS Adviser before making any changes to your policy.

Improving existing cover

Sometimes we will make improvements to your policy. Where we do this without increasing premium rates, we will pass these improvements on to you.

If the insured person has a pre-existing condition at the time the improved cover begins, the improvement will not apply to any claim affected by that pre-existing condition.

Starting, changing, and ending your policy



When your policy ends

Your policy and all covers under your policy automatically end if any of the following occurs.

- The insured person dies.
- We receive a written request from you to cancel your policy.
- The insured person reaches the cover end age shown in your schedule.
- We avoid or cancel your policy due to misstatement or non-disclosure (see page 68 for more information).
- The premium is not paid within 60 days of the due date (in which case, all covers will end from the date to which the premiums were due).

Your policy also ends if the insured person makes any of the following changes to their working status for reasons other than making a claim under your policy.

The insured person:

- is working and permanently reduces their work hours to fewer than 20 hours a week
- permanently leaves the workforce or stops being available to work for at least 20 hours a week

- stops being actively engaged in their insured occupation for more than 12 months
- becomes unemployed for more than three months in a row, (except when a Premium holiday applies).

You may be able to continue your cover in these circumstances if you have let us know and we have given written consent for your cover to continue.

Business Expenses cover

If you have Business Expenses cover, your cover will end if the insured person stops having an ownership interest in the business, the business stops trading, or you no longer incur business expenses.

Cover extension benefit

In addition to the above, if the cover extension benefit applies, your cover (and any benefit payable) will end on the insured person's 70th birthday.

Starting, changing, and ending your policy



Cancelling your policy

You can cancel your policy at any time by writing to us. There is no cash value to your policy, and you won't receive a refund of premiums.

If the cover does not meet your needs, or you change your mind, you can cancel within 30 days of the cover start date shown in your schedule, and we will refund any payments you have made.

You can also cancel any increase to your policy (such as an increase to your weekly benefit) within 30 days, and we will refund any payment you made towards that increase. The 30-day period starts three days after we provide you with a replacement policy document.

Premiums – paying for your policy



Premiums are the regular amount you need to pay us for your policy.

You, as the policy owner, are responsible for paying premiums under your policy. However, a different person (the payer) may make the payments.

How we calculate your premium

Your premium will be based on:

- the covers and weekly benefits you select
- the wait period you select
- the benefit term you select
- our standard premium rates when cover starts (or when it's renewed or changed)
- the insured person's sex, age, occupation, and smoking status
- any agreed adjustment to our standard premium.

Your premium will change if you change any of the above.

Your premium includes GST where appropriate. If you choose to pay premiums more often than every 12 months, we will charge an additional administration fee.

We will review your premium every 12 months on your renewal date and let you know what's changed.

How your premiums are structured

We offer stepped or level premium options for Loss of Income cover and Business Expenses cover.

Stepped premiums

Your premium will increase on each renewal date, based on:

- the insured person's age
- any increase to the Loss of Income cover weekly benefit or Business Expenses cover weekly benefit added through the inflation adjustment benefit.

Level premiums

Your premium will stay the same on each renewal date, unless we:

- change our standard level premium rates, or
- increase the Loss of Income cover weekly benefit or Business Expenses cover weekly benefit through the inflation adjustment benefit.

Level premiums end on the insured person's 65th birthday. We will automatically change your premiums to stepped premiums if cover continues after age 65 under the cover extension benefit.

Premiums – paying for your policy



We review our standard premium rates from time to time

Your premium rates are not guaranteed. From time to time, we review our standard premium rates for the covers under your policy. This may result in us increasing or decreasing them.

If we do change our standard rates, your premiums will change at your next renewal date. We will tell you about any change to our standard premium rates, including what your new total annual premium is.

Your cover is automatically renewed on payment

Your policy is automatically renewed on each renewal date when you pay the premium due.

Remember to pay your premiums on time

You need to pay your premiums on time to maintain your cover.

If all or part of your premiums are unpaid for more than 60 days from the last due date, we will automatically cancel your policy and send you a communication confirming this. Cancellation of your covers will be effective from the date your premiums were paid up to.

You can apply in writing to reinstate a cancelled policy within six months of cancellation. We will let you know about our requirements at the time of reinstatement, which may include a reassessment application. We don't guarantee that we will reinstate your policy and if we do, the terms and conditions of your policy may change.

Premiums – paying for your policy



Premium holiday benefit

You can apply for a premium holiday if you,

- become involuntarily unemployed
- are made bankrupt, or enter a No Assets Procedure (NAP)
- experience the death of a spouse, partner or child
- experience financial hardship, as we in our sole discretion find reasonable

or,

if there is a natural disaster where you are financially impacted by that natural disaster and are unable to,

- undertake your usual occupation for at least 30 days, or
- unable to live at your usual place of residence for at least 30 days.

We will only consider a request for a premium holiday where:

- the policy has been continuously in force, and premiums have been paid for at least 12 months in a row immediately before your application for premium holiday,
- your request is made within three months of the circumstance above for which you are requesting a premium holiday, and

- you have applied for a premium holiday, and we have agreed to it.

If we approve your request, we will waive your premiums for a maximum of six months from the date we confirm acceptance of your application. We will continue to provide cover for the insured person, and you will be able to claim during the premium holiday.

The premium holiday will apply to all covers and associated benefits.

Once we have granted a total of six months premium holiday for this policy this benefit will end, and no further premium holiday will be available.

You need to start paying premiums again within 30 days of the premium holiday ending, otherwise, we will cancel your policy.

You cannot add new cover to your policy while the premium holiday applies. If you have a policy anniversary during a premium holiday, where applicable your policy will be adjusted for inflation and your premiums adjusted for the insured person's age.

Premiums – paying for your policy



A premium holiday is not available if you are made redundant from your own business or a family-owned business.

At our sole discretion, MAS may allow a premium holiday if an insured person experiences one of the circumstances listed on the previous page. If we do, all the premium holiday wording will apply.

Cover and premium suspension

If the insured person undertakes a continuous period of leave without pay from their insured occupation, of more than three months in a row, you can choose to continue to pay premiums or apply to have premiums suspended.

Cover under your policy will automatically end on the date the period of leave without pay exceeds 12 months in a row, as set out on page 59.

Option 1

Continue to pay premiums

If you choose to continue to pay premiums, cover will continue during the period of leave without pay.

If the insured person experiences a sickness or injury resulting in total disablement, we will start paying benefit entitlements under your policy either from the end of the wait period or the end of the scheduled period of unpaid leave, whichever is later.

If the insured person returns to work in a reduced capacity, or is scheduled to return to work in a reduced capacity, and you select a pre-disability income period that is before their leave without pay, we will pro-rata their pre-disability income to match the reduction in capacity.

Premiums – paying for your policy



Example

If the insured person worked 40 hours a week earning a pre-disability income of \$2,000 a week before starting a period of leave without pay, and returned or is scheduled to return to work 20 hours a week earning \$1,000 a week, we will pro-rata the amount of their pre-disability income to a sum equal to \$1,000 (50%).

The maximum weekly benefit payable will be the lesser of:

- the Loss of Income cover weekly benefit shown in the schedule
- 75% of the pro-rata pre-disability income less any weekly income and other income they receive or are entitled to receive.

Option 2

Suspend premiums and cover

You may ask to suspend premiums and cover under your policy if the insured person,

- takes leave without pay (including parental leave, sabbatical leave, compassionate leave, or study leave for study at a registered educational centre)
- becomes involuntarily unemployed
- is made bankrupt, or enters a No Assets Procedure (NAP)

- experiences the death of a spouse, partner or child
- experiences financial hardship as we in our sole discretion find reasonable
- any other mutually agreed basis for stopping work in their insured occupation

or,

- if there is a natural disaster where you are financially impacted by that natural disaster and are unable to,
 - undertake your usual occupation for at least 30 days, or
 - unable to live at your usual place of residence for at least 30 days.

You can suspend cover for:

- a minimum period of leave without pay of three months in a row, and
- a maximum period of leave without pay of 12 months in a row – starting from the time we receive your written request or the date the insured person stops work, whichever is later.

If you apply to suspend the payment of premiums, cover will be suspended during the period of leave without pay and until it has been restarted as set out on page 66.

Premiums – paying for your policy



The premium and cover suspension benefit is only available if:

- the policy has been continuously in force, and premiums have been paid for at least 12 months in a row immediately before suspension (unless the policy has had a premium holiday apply immediately prior to the suspension), and
- you have applied to suspend premiums and cover, and we have agreed to it.

If the insured person experiences a sickness or injury during the period of suspension, we will consider the sickness or injury a pre-existing condition at the time cover is restarted and will not pay a weekly benefit for any claim affected by that pre-existing condition.

You must apply to restart premiums and cover within two months of the insured person's return to work.

If we do not receive an application in writing from you to restart cover within this time, your policy will be automatically cancelled.

Cover will restart if all the following conditions are met.

- The insured person has returned to work in their insured occupation.
- The insured person is working for at least 20 hours a week following their return to work.
- The insured person's period of employment since returning to work has been continuous.
- The insured person's return to work occurred within 12 months of their period of leave without pay starting.
- We have received and approved your application to restart cover.
- You have restarted paying premiums.

If the insured person returns to work fewer than 20 hours a week, cover may continue. However, special terms will apply.

Premiums – paying for your policy



Summary of options for cover and premium suspension

	Continue to pay premiums	Suspend premiums and cover
Your policy must have been continuously in force for 12 months or more	✗	✓
Premiums are payable	✓	✗
You can receive benefit payments while your policy is suspended	✗	✗
Covered for conditions that arise during period of leave without pay	✓	✗
You need to apply for your cover to restart at the end of the suspension period	✗	✓

Responsibilities and rights



You and the insured person have certain responsibilities that can affect your cover and claims. You and the insured person also have the right that your private information will be kept confidential.

If we change the terms of your policy, the terms may be effective from the policy start date.

If we avoid your policy or any cover from the policy start date, you will lose the right to all premiums paid.

If we establish that we paid a benefit based on incomplete or untruthful information, you must repay all amounts paid for that claim.

You must tell us as soon as possible if your circumstances change in any material way after you apply for insurance, but before we notify you in writing that you are insured.

Your private information will be kept confidential

We will treat all personal information we receive about you in relation to your policy according to our privacy statement, which can be found at www.mas.co.nz

Give us complete and truthful information

You have a legal duty to tell us all information that may be relevant to our decision on whether to insure you. That same duty exists when you apply to vary or reinstate your policy.

If you give us information that is substantially incorrect or do not tell us a material fact, we have the right to avoid your policy from the policy start date if your misstatement or non-disclosure was:

- fraudulent, or
- part of an answer to a specific question from us.

If you don't give us complete and truthful information, we may also do any or all of the following:

- adjust the premiums
- deduct any adjusted premiums from your claim amount
- refuse to pay a benefit or pay a lower amount
- apply a new exclusion to your policy
- cancel your policy or a benefit provided by your policy.

Other important information affecting your policy



Your policy is governed by the laws of New Zealand

Your policy has been issued in New Zealand and so the laws of New Zealand apply to it. Where we have mentioned any legislative provision, this includes any law that amends or replaces that provision and any legislation made under it.

Sometimes changes to the law may affect your policy

If there are any changes in the law, or its interpretation, after the policy start date, we will adjust your policy or the relevant cover if we believe that the law changes will affect:

- our liability to pay any tax
- the tax treatment of any premiums that are due or claims we have received
- the definition of specific terms or the lack of defined terms, or
- the amount that can be paid under your policy.

Any changes to your policy or cover will take place from the date of the law change. We will tell you about the changes.

Statutory fund

As a life insurer we must have a statutory fund. A statutory fund is a fund established in the records of a life insurer and relates solely to the life insurance business of the life insurer.

All amounts we receive under your policy will be held in the Medical Life Assurance Statutory Fund.

Medical Terms



This section lists the definitions for all medical conditions included in your policy. We use these definitions to help decide whether the insured person is eligible to be paid a claim under your policy.



Loss of Income cover



Business Expenses cover

Definitions of key terms



Term	Definition
Dementia/Alzheimer's disease	The unequivocal diagnosis of Alzheimer's disease or any other irreversible dementia by a suitably qualified registered medical practitioner, and where there is an associated neurological deficit causing the insured person to be constantly and permanently unable to perform at least one of the activities of daily living without the physical assistance of someone else.
Dilated cardiomyopathy	Diagnosis of dilated cardiomyopathy characterized by permanent dilatation of the heart chambers, impaired pumping function of the heart and results in a permanent physical impairment to at least Class 3 of the New York Heart Association functional classification of cardiac impairment. Assessment must be made by a suitably qualified registered medical practitioner.
Emphysema	The diagnosis of emphysema which is an irreversible structural damage to the small air sacs (alveoli) of the lungs, causing impaired transfer of oxygen and carbon dioxide between the air breathed in and the body. The condition must be characterized by the requirement of permanent use of oxygen therapy and abnormal lung function test with FEV1 (forced expiratory volume at one second) test results of consistently less than one litre. The condition must be confirmed by a suitably qualified registered medical practitioner we have approved
End-stage kidney failure	The chronic irreversible failure of both kidneys, requiring either permanent renal dialysis or kidney transplantation.
Eye – macular degeneration	Diagnosis of age-related macular degeneration in one or both eyes by qualified registered medical practitioner who is an ophthalmologist. The characteristics of the macular degeneration must reach 'medium risk of progression' or higher on the NICE (National Institute for Health and Care Excellence) definition or equivalent scale.

Definitions of key terms



Term	Definition
Huntington's disease	The unequivocal diagnosis of Huntington's Disease by a suitably qualified registered medical practitioner.
Motor Neurone Disease	The unequivocal diagnosis of motor neurone disease certified by a suitably qualified registered medical practitioner.
Multiple Sclerosis	The unequivocal diagnosis of multiple sclerosis by a suitably qualified registered medical practitioner.
Muscular dystrophy	The unequivocal diagnosis of muscular dystrophy by a suitably qualified registered medical practitioner.
Parkinson's Disease	The unequivocal diagnosis of Parkinson's disease by a suitably qualified registered medical practitioner we have approved, causing the insured person to be constantly and permanently unable to perform at least one of the activities of daily living without the physical assistance of someone else.
Severe rheumatoid arthritis	Diagnosis of severe rheumatoid arthritis by a suitably qualified registered medical practitioner we have approved, causing the insured person to be constantly and permanently unable to perform at least one of the activities of daily living without the physical assistance of someone else.

Definitions of key terms



This section lists the definitions for words and phrases used throughout your policy that have particular meanings. The words or phrases are shown at the bottom of each page they are used.



Loss of Income cover



Business Expenses cover

Definitions of key terms



Term	Definition
Benefit term	The maximum period of time (as shown in your schedule) for which we will pay benefits for any one sickness or injury when the insured person is totally disabled or partially disabled.
Career-based study	Educational programs or learning pathways specifically designed to develop skills, knowledge, and competencies aligned with the insured persons insured occupation.
Child	The insured person's child, either by birth or legal adoption, who is between three months and 21 years of age.
Communication/ communicate	All correspondence, notices, or other materials related to your policy that we have sent to you (including by post, email, and electronically) or that we have uploaded on our website and notified you about. It also includes correspondence you have sent to us.
Cover start date	The date your cover starts, as shown in your schedule. Any variation to your policy (including increases or decreases to your Loss of Income cover weekly benefit or Business Expenses cover weekly benefit) will also have a cover start date. (Cover start date is called commencement date in your schedule.)
Cover end age	The date your cover ends under your policy, as shown in your schedule. (Terminating age has the same meaning.)
Date the insured person died	The date of death of the insured person as stated on their official legal death certificate or other document acceptable to us.

Definitions of key terms



Term	Definition
Eligible business expenses	The following expenses incurred for the business that the insured person is continuing or in which they are involved at the time of becoming totally disabled. • Rent of business premises • Interest on business loans • The gross amount of salaries and related costs for employees who are required to be retained to support the continuation of the business, but are totally unable to earn income while the insured person is totally disabled • Insurance and indemnity premiums • Normal business services such as electricity, gas, water, telephone, laundry, cleaning, and maintenance • Accounting and audit fees • Advertising expenses and professional subscriptions • Equipment or motor vehicle lease costs, being an allowable deduction under the Income Tax Act 2007 • Depreciation of business equipment, being the depreciation expense that would be an allowable deduction for that year under the Income Tax Act 2007 • Any other fixed expenses that are normal in the running of that particular business The following expenses are not eligible business expenses. • Salary, fees, or any other payments from the business to the insured person • Salary, fees, or any other payments from the business to anyone employed to replace the insured person or their family, unless we are satisfied that person is a locum • The repayment of any mortgage or loan principal • Capital costs or expenses (including equipment, fittings, furniture, and vehicles) • The costs of any trading goods or stock
Eligible event	A sickness or injury suffered by the Insured which results in total or partial disablement.

Definitions of key terms



Term	Definition
Financial hardship	A situation where you are unable to reasonably meet your living expenses — such as housing, food, utility bills, or medical costs — due to a change in your financial circumstances. We will decide, at our sole discretion, whether you are experiencing Financial Hardship based on the information we request and you provide about your current situation.
Full-time care	The child of the insured person is: • hospitalised, on the advice of a registered medical practitioner • confined to bed or home, for at least 18 hours a day, on the advice of a registered medical practitioner.
Gainful employment	The insured person: • is an employee working for salary, wages, commission, or other remuneration, or • is self-employed working in a business or professional practice in a way that is capable of generating an income for the business or professional practice.
Home country	The country in which the insured person was born or their country of permanent residence or such other country as MAS agrees is the insured person's home country.
Indexation factor	The percentage change in the Consumers Price Index (CPI), published by Statistics New Zealand*, for the 12-month period finishing on 31 March. The indexation factor will be applied from 1 August for the following 12 months. *Or any replacement index to the CPI or any other body that replaces Statistics New Zealand

Definitions of key terms



Term	Definition
Injury	A physical injury to the insured person caused solely and directly by an accident.
Insured occupation	The occupation shown in your schedule, or the occupation(s) that provided the insured person's principal source of income in the 12 months immediately before they became totally disabled.
Involuntarily unemployed	You are considered involuntarily unemployed where: • you lose your job through no fault of your own, such as due to redundancy, company downsizing, or business closure; • you are not self-employed, a contractor, or working under a fixed-term or seasonal agreement; • you are actively seeking new employment and are available to work; • your unemployment is not the result of voluntary resignation, retirement, dismissal for misconduct, or participation in a strike or labour dispute.
Locum	An individual employed by the business to perform the duties the insured person is no longer able to perform due to total disablement. This does not include a locum already employed at the time of the total disablement, any member of the insured person's family, or anyone who is not a genuine employee adding value to the business.
Loss	The total and permanent: • loss of the use of the hand from the wrist or the foot from the ankle joint; or • loss of the use of the arm from the elbow or leg from the knee joint; or • complete severance of the thumb and index finger from the metacarpophalangeal joint; or • irrecoverable total loss of an eye or sight in the eye.

Definitions of key terms



Term	Definition
Material	A statement that would have influenced the judgement of a prudent insurer when setting a policy owner's premium or determining whether they would have offered or continued insurance cover with the same or similar terms.
Other income	Any payments, entitlements, or benefits for the sickness or injury causing the insured person's disablement, including: • sick-leave entitlements • disability compensation or other entitlements from the Accident Compensation Corporation (or any other form of compulsory insurance scheme for loss of income) • other disability, group sickness, or accident insurance cover, including cover under a mortgage repayment policy, whether through a bank, superannuation fund, or other provider • lump sum payments, where regular income payments are converted to a lump sum (we will offset up to 1 percent of the lump sum amount from the Loss of Income cover weekly benefit) • personal grievance awards or any other awards or entitlements • income the insured person receives or is entitled to receive from any business partnership, family trust, or company, not including investment income or payments under your policy for retraining and rehabilitation. • government superannuation payments.

Definitions of key terms



Term	Definition
Partially disabled/ partial disablement	The insured person must: • be unable to work in their insured occupation for the same hours or in the same capacity as before their total disablement, due solely to sickness or injury. For the Waiver of 14-day total disablement benefit, the requirement for total disablement prior to partial disablement does not apply • be under the ongoing care of a registered medical practitioner for that sickness or injury, and following their medical advice • earn a weekly income of less than 75 percent of their pre-disability income • be working for more than 10 hours a week • be unable to work for more than 40 hours a week.
Policy start date	The date, as shown in your schedule, when the terms and conditions under your policy start. (Policy start date is called policy inception date in your schedule.)
Pre-disability income	The average weekly income the insured person earned in their insured occupation during any 12-month period of their choice, within the 36 months immediately before their total disablement. For all claims made under the cover extension benefit, pre-disability income is the average weekly income the insured person earned in their insured occupation during the 12-month period immediately before their total disablement. For all claims made under the parent leave benefit, pre-disability income is the average weekly income the insured person earned in their insured occupation during any 12-month period of their choice within the 36 months immediately before their child required full-time care.

Definitions of key terms

Term	Definition
Pre-existing condition	A sickness or injury for which: • symptoms existed that would cause a reasonable and prudent person to seek diagnosis, care, or treatment from a registered medical practitioner or other health professional such as a physiotherapist, psychologist, or chiropractor, or • medical advice or treatment was recommended by or received from a registered medical practitioner or other health professional such as a physiotherapist, psychologist, or chiropractor.
Registered medical practitioner	A doctor who is legally qualified and properly registered in their country of practice. If they are outside New Zealand or Australia, they must be agreed by us. The doctor cannot be: • you or the insured person • a business partner of you or the insured person • any immediate family member or relation of you or the insured person.
Registered nurse	A nurse who is legally qualified and properly registered in their country of practice. If they are outside New Zealand or Australia, they must be agreed by us. The nurse cannot be: • you or the insured person • a business partner of you or the insured person • any immediate family member or relation of you or the insured person.
Renewal date	The date 12 months after the policy start date, and every 12 months after that.

Definitions for **injury**, **policy start date**, **registered medical practitioner**, and **sickness** can be found in the [definitions section](#) of this document.

Definitions of key terms



Term	Definition
Sickness	An illness or disease the insured person experiences.
Substantially incorrect	A statement where the difference between what was stated and what is actually correct would have been considered material by a prudent insurer.
Totally disabled/total disablement	The insured person is: • unable to work for more than 10 hours a week in their insured occupation due solely to sickness or injury • not doing any other paid work • earning a weekly income of less than 75 percent of their pre-disability income • under the ongoing care of a registered medical practitioner for that sickness or injury and following their medical advice.
Unemployed	The insured person is no longer in gainful employment as a result of an involuntary act on their part, and they are actively seeking alternative employment opportunities.
Wait period	The number of days (shown in your schedule) during which we do not pay a benefit.

Definitions of key terms



Term	Definition
Weekly income	The income the insured person earns each week, after deduction of business expenses but before personal deductions and income tax. Weekly income includes: • salary • wages • packaged fringe benefits • commissions • bonuses • superannuation contributions. If the insured person is self-employed, for example as a sole trader or as a partner in a business, weekly income also includes their share of the net profit (or loss) of the business (after deduction of business expenses). Weekly income does not include unearned income such as investment income, interest, rental income, and proceeds from the sale of assets.



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Thank you
for insuring
with us.