

Hi, I'm your
Income Security
policy document

The logo consists of a white shield shape with a dark blue background. The letters "mas" are written in a dark blue, sans-serif font inside the shield.

mas

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.





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Introduction

In this section you'll find:

About your policy document

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 the 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.

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.

- 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

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 13042, Johnsonville
Wellington 6440

If you have a complaint

If you or the insured person have any problems with our service and would like to make a complaint, please write directly to:

The Complaints Officer

MAS
PO Box 13042, Johnsonville
Wellington 6440

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.

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.

Get to know your policy document

- The different roles under your policy

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

Get to know 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 55. 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.

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

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 within 30 days of any event that may lead to a claim. To make a claim, your policy and the cover you are claiming must still be in force at the time of the event.



Call us on
0800 800 627



Email us at
disabilityclaims@mas.co.nz

Need to make a claim?

Insurance covers

In this section you'll find:

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

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 earnings if the insured person is unable to work more than 7 hours a week.	18
Partial disablement benefit	We will top up income to 75% of their pre-disability earnings if the insured person is working more than 7 hours a week but earning less than 75% of their pre-disability income.	21
Waiver of premium benefit	We will waive your premiums while we pay a loss of income benefit.	24
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.	24
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.	25

- Loss of Income cover

Overview of your cover

Loss of Income cover

- Loss of Income cover

Available benefits	What it provides	See page
Funeral benefit	We will pay \$8,000 if the insured person dies while we are paying a loss of income benefit.	25
Recurrent disability benefit	We will waive the wait period if the insured person experiences a relapse within six months of returning to work.	26
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.	27
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.	28

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.

- Business Expenses cover

Available benefits	What it provides	See page
Business expenses benefit	<p>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.</p> <p>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.</p>	29

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**

Insurance cover benefits


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
 - Waiver of premium benefit
 - Escalating benefit
 - Rehabilitation and retraining benefit
 - Funeral benefit
 - Recurrent disability benefit
 - Hospitalisation benefit
 - Suspension from practising benefit
- + **Optional benefit: Inflation adjustment benefit**
(see page 34)

 If you have selected this 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 arrears.
- We can pay a hospitalisation benefit during the wait period.
- While you are receiving a total disablement benefit or a partial disablement benefit, we will waive your premiums.
- We can help with rehabilitation and retraining costs.
- We will pay a lump sum of \$8,000 to help with funeral costs if the insured person dies while receiving a loss of income benefit.
- We will not pay claims in certain circumstances – for example, if the sickness or injury is a result of an intentional self-inflicted act or criminal behaviour.
- Your cover will end when the insured person reaches the cover end age shown in your schedule.

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 (excluding Australia), we will pay benefits for a maximum of three months.

We will restart paying benefits, without a new wait period, when they return to New Zealand or Australia. Their disablement must have been continuous since we stopped payments and be from the same sickness or injury.

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 seven 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.

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

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

How long we can pay a claim 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 45.

- Total disablement benefit

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 seven 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.

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.

- Partial disablement benefit

Loss of Income cover

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.

- Partial disablement benefit

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

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

How long we can pay a claim 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 45.

- Partial disablement benefit

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 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 45.

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.

- Waiver of premium benefit
- Escalating benefit

Loss of Income cover

A rehabilitation and retraining benefit helps with the costs of returning to work

If the insured person is receiving a loss of income benefit, we can pay up to 26 times their Loss of Income cover weekly benefit to support them in their rehabilitation or retraining to return to gainful employment.

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

- we must be paying a loss of income benefit when these expenses are incurred
- 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 Loss of Income cover weekly benefit. This could be across one or accumulated across multiple claims.

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 \$8,000.

If they have multiple MAS policies with funeral benefits, we will pay a maximum of \$10,000 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.

- Rehabilitation and retraining benefit
- Funeral benefit

Loss of Income cover

No wait period for a related disability claim

Benefit payments can start immediately if the insured person experiences a relapse within six months. We will not apply the wait period if they experience a further period of total disablement or partial disablement from the same sickness or injury, within six 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.

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.

No wait period for an unrelated disability claim

Claim payments can resume if the insured person experiences a different sickness or injury within 12 months.

We will not apply the wait period if they experience a further period of total disablement or partial disablement within 12 months of the entitlement to a benefit ending.

This disablement must be from a different sickness or injury that is not related to, or exacerbated by, their previous claim, and they must have undergone a wait period for that claim.

- Recurrent claim benefit

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 full-time 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 45.

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.

- Hospitalisation benefit

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 45.

If you are entitled to a suspension of practising certificate benefit, we will pay this every four weeks in arrears.

Business Expenses cover



Business Expenses cover

i 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 34)**

i 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

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 seven 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 benefit

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 benefit

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

- Locum cover

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 45.

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.

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.

Benefits shared by more than one insurance

- Inflation adjustment 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
0800 800 627



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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • hospital discharge form • proof of bed confinement. 	30 days of any event that may lead to a claim.
Suspension of practising certificate	<ul style="list-style-type: none"> • 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

Information we may ask you for when making a claim

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 bank account chosen by the policy owner or their legal personal representative. Payment is in New Zealand dollars.

We pay benefits every four weeks

If you are entitled to a Loss of Income cover weekly benefit, a suspension of practising certificate benefit, or a Business Expenses cover weekly benefit, we will pay these every four weeks in arrears, so long as we have received all necessary evidence. 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.

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 53 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.

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.

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.

- Cancelling your policy

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.

Premiums – paying for your policy

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

Options if you take leave from work

If your schedule shows that you have Loss of Income cover and 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 45.

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.



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.

Premiums – paying for your policy

Option 2 Suspend premiums and cover

You may ask to suspend premiums and cover under your policy if the insured person takes any of the following leave.

- Maternity leave
- Paternity leave
- Sabbatical leave
- Compassionate leave
- Study leave for study at a registered educational centre
- Any other mutually agreed basis for stopping work in their insured occupation

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 51.

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, and
- you have applied to suspend premiums and cover, and we have agreed to it.

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 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.

Premiums – paying for your policy

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 leave without pay

	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.

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.
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.)

Definitions for [sickness](#), [injury](#), [totally disabled](#), and [partially disabled](#) can be found in the [definitions section](#) of this document.

Definitions of key terms

Term	Definition
Eligible business expenses	<p>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.</p> <ul style="list-style-type: none"> • 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 <p>The following expenses are not eligible business expenses.</p> <ul style="list-style-type: none"> • 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

Definitions of key terms

Term	Definition
Gainful employment	<p>The insured person:</p> <ul style="list-style-type: none"> • 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.
Indexation factor	<p>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.</p> <p>*Or any replacement index to the CPI or any other body that replaces Statistics New Zealand.</p>
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.
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.

Definitions for **total disablement** and **totally disabled** can be found in the [definitions section](#) of this document.

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	<p>Any payments, entitlements, or benefits for the sickness or injury causing the insured person's disablement, including:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>

Definitions of key terms

Term	Definition
Partially disabled/ partial disablement	<p>The insured person must:</p> <ul style="list-style-type: none"> • 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 • 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 seven hours a week • be unable to work for more than 40 hours a week.
Policy start date	<p>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.)</p>
Pre-disability income	<p>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.</p>
Pre-existing condition	<p>A sickness or injury for which:</p> <ul style="list-style-type: none"> • 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.

Definitions of key terms

Term	Definition
Registered medical practitioner	<p>A doctor who is legally qualified and properly registered in New Zealand or Australia. The doctor cannot be:</p> <ul style="list-style-type: none"> • 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	<p>A nurse who is legally qualified and properly registered in New Zealand or Australia. The nurse cannot be:</p> <ul style="list-style-type: none"> • 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.
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.

Definitions for **policy start date** and **material** can be found in the [definitions section](#) of this document.

Definitions of key terms

Term	Definition
Totally disabled/total disablement	<p>The insured person is:</p> <ul style="list-style-type: none"> • unable to work for more than seven 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	<p>The income the insured person earns each week, after deduction of business expenses but before personal deductions and income tax.</p> <p>Weekly income includes:</p> <ul style="list-style-type: none">• salary• wages• packaged fringe benefits• commissions• bonuses• superannuation contributions. <p>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).</p> <p>Weekly income does not include unearned income such as investment income, interest, rental income, and proceeds from the sale of assets.</p>

**Thank you
for insuring
with us.**

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