



fidelity life

Personal

For advisers only.

## Life cover overview.

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**Life cover** is designed to help protect the financial needs of New Zealanders by providing a lump sum payment if the insured person dies, or has been diagnosed as terminally ill and is likely to die within 12 months.

### Key features.

- The cover can be taken out by individuals aged 16-75 (inclusive).
- There is no expiry age for the cover, meaning it continues for life or until cancelled.
- There is no maximum amount of cover subject to health and financial information checks.
- Life cover is available on its own or can be linked with other cover types.
- Premiums can be set for a fixed period (level premium) or premiums that increase each year (age-rated).
- Premium payment options include fortnightly, monthly, quarterly, half-yearly, or yearly.

# 1. Built-in benefits.

## Death benefit.

Fidelity Life will pay the sum insured if an insured person dies. Any associated accelerated cover (i.e. Trauma) that has been paid under the same policy will reduce the Life cover sum insured.

## Bereavement benefit.

An immediate advance payment of up to \$25,000 can be applied for if an insured person dies, subject to the terms of the policy. The amount will be deducted from the Life cover sum insured.

## Repatriation benefit.

Fidelity Life will reimburse the direct costs involved in repatriating the insured person's body from the country of death to New Zealand, or from New Zealand to their home country, or from the country of death to their home country. The total combined payments reimbursed is the lesser of the direct costs paid, or 10% of the Life cover sum insured, or \$20,000.

## Terminal illness benefit.

If the insured person is diagnosed as being terminally ill by a specialist medical practitioner, and they are likely to die within 12 months despite available treatment, they can apply for early payment of the Life cover sum insured. The Life cover and any accelerated covers linked to the Life cover will end when this benefit is paid.

## Terminal illness partial benefit.

If the insured person is unequivocally diagnosed by a specialist medical practitioner with one of the specified terminal illness conditions, they can apply for an early payment for the lesser of 30% of the sum insured, or \$250,000. This payment will reduce the Life cover sum insured and any associated accelerated covers.

## Child's funeral benefit.

If a child of the insured person aged between 2 and 20 years (inclusive) dies, Fidelity Life will pay up to \$15,000 for children aged 10-20 years and \$2,000 for children under 10 years. The death cannot be as a direct result of a known congenital condition, or any pre-existing condition, and cannot have occurred within three months of the start date or reinstatement of the eligible parent's Life cover.

## Grief counselling benefit.

If a lump sum benefit is paid, Fidelity Life will reimburse up to \$2,500 towards the actual

cost of grief counselling for the insured person's partner or child, from an accredited counsellor, psychologist, or psychiatrist. This benefit must be claimed within 12 months of receiving the lump sum benefit.

## Financial planning and legal advice benefit.

Fidelity Life will reimburse up to \$2,500 towards the actual cost of a fully documented financial plan, or legal advice received from a lawyer in relation to the payment. This benefit must be claimed within 12 months of receiving the lump sum benefit and does not cover the legal fees relating to the administration or distribution of an estate.

## Special events.

The insured person's sum insured can be increased once in any 12-month period before their 55th birthday without providing additional health information when certain events occur. These events include (but are not limited to):

- getting married, civil union, or divorced, or
- either the pregnancy at 28 weeks gestation or birth of the same child, or
- adopting a child, or
- dependent child starting secondary school, or
- financially supporting a dependent child through a first course of full-time tertiary education, or
- reaching ages 25, 30, 35, 40 or 45, or
- the terminal illness or death of a spouse, partner or child, or
- stopping work to take full time physical care of a dependent relative, or
- increase in mortgage on their own home or taking out a mortgage for their own home, or
- having a salary increase of at least \$5,000 or 10%.

## Special event additional cover benefit.

When a special event occurs for an insured person, their Trauma cover – accelerated or Total and permanent disability cover – accelerated can be increased, or these covers can be added to an in-force Life cover.

## Business events (Platinum Plus only).

The insured person's sum insured can be increased once in any 12-month period before their 55th birthday without providing additional health information when certain business circumstances occur. These circumstances include:

- They are a key person who value to the business has increased over the previous three years.

The sum insured can be increased by the same proportion as the increase in their value to the business averaged over the previous three years.

- They are a partner in a firm or a shareholder in the company and they've increased their financial interest averaged over the previous three years.
- Cover has been taken out for the insured person for loan guarantees. The sum insured can be increased by the same proportion as the increase in the loan that relates to the business.

#### **Premium holiday option (Mortgage Protector and Platinum Plus only).**

The insured person's Life cover and premiums can be suspended for up to 12 consecutive months if one of the following reasons applies to them: redundancy, bankruptcy, tertiary studies, or overseas travel. The maximum sum insured under the Premium holiday option is \$500,000.

#### **Conversion option (Mortgage Protector and Platinum Plus only).**

Allows for the conversion of the Life cover sum insured for an insured person to another policy which includes Life cover on the terms applying at the time.

Some exclusions and limitations may apply to these benefits (refer to the cover wording for more information).

## **2. Additional options.**

All additional options may incur an additional premium.

#### **CPI option (Mortgage Protector and Platinum Plus only).**

The CPI option will be applied on each policy anniversary by the greater of 2%, or an amount determined by Fidelity Life based on the CPI. The last increase will be applied on the policy anniversary before the insured person's 65th birthday.

#### **Indexation option (Platinum Plus Level Term only).**

Fidelity Life will automatically increase the sum insured by 2% at each policy anniversary. The level premium does not change as a result of the sum insured increasing. The last increase will be applied on the policy anniversary before the life insured's 65th birthday.

#### **Business future insurability option (Platinum Plus only).**

The insured person's sum insured can be increased before their 60th birthday by the increase

factor selected at the time of application (0.5-5 times the value of the sum insured) without providing additional health information if certain circumstances occur. These circumstances are the same as the Business events.

#### **Terminal illness booster option (Mortgage Protector and Platinum Plus only).**

If the insured person is diagnosed with a terminal illness, and survives for at least 30 days after the date of diagnosis without the use of a life support system, Fidelity Life will pay the Terminal illness booster cover sum insured. The Terminal illness booster sum insured is up to 25% of the Life cover, up to a maximum of \$500,000.

#### **Continuation option (Platinum Plus Level Term only).**

Allows the policy to continue with the same level of cover on an age-rated basis at the expiry of the policy term or to take up another level term policy. The Continuation option ends on the insured person's 75th birthday.

Some limitations may apply to additional options (refer to the cover wording for more information).

## **3. Claims.**

As an Adviser, it's important to notify Fidelity Life of a potential claim right away. Fidelity Life will notify the policy owner(s) of any requirements needed to assess the claim.

## **4. Exclusions.**

Fidelity Life will cancel the cover, or any increases in cover, and retain any premiums if the insured person dies by their own hand within 13 months of the cover start date or date of reinstatement, or the date of any increases in the sum insured, excluding increases due to the CPI option.

## **5. When this cover ends.**

- This cover ends on the earliest of:
  - the cancellation of the Life cover, or
  - the policy ends, or
  - a terminal illness claim is paid, or
  - a Trauma cover – accelerated, Trauma multi – accelerated, or Total and permanent disability cover – accelerated is paid and there is no remaining Life cover, or
  - the life insured dies.

# Life cover factsheet: At a glance

## Key features.

<b>Entry ages:</b> 16-75.	<b>Expiry age:</b> None.
No maximum level of cover, subject to underwriting.	Life cover can be linked to other cover types such as Trauma & TPD.
Premiums can be fixed (level premium) or increase each year (age-rated).	<b>Premium payment options:</b> fortnightly, monthly, quarterly, half-yearly, or yearly.

Built-in benefit.	Benefit description.	Amount paid/benefit.	Conditions & Exclusions.
<b>Death benefit.</b>	Payment if the client dies.	<b>100% of sum insured.</b>	<ul style="list-style-type: none"> <li>Standard conditions and exclusions apply alongside any listed on the policy schedule.</li> </ul>
<b>Bereavement benefit.</b>	Immediate advance payment if the client dies.	<b>Up to \$25,000.</b>	<ul style="list-style-type: none"> <li>Any Bereavement benefit paid will reduce the sum insured.</li> </ul>
<b>Repatriation benefit.</b>	Reimburses direct costs to repatriate the client's body from New Zealand to their home country, or from the country of death to New Zealand, or from the country of death to their home country.	<b>Up to \$20,000.</b>	<ul style="list-style-type: none"> <li>Will not pay direct costs if a travel policy, government aid, or other sources can be claimed against.</li> <li>Total payment is the lesser of direct costs paid, 10% of the Life cover sum insured or \$20,000.</li> </ul>
<b>Terminal Illness benefit.</b>	Early payment if the client is diagnosed as likely to die within the next 12 months.	<b>100% of sum insured.</b>	<ul style="list-style-type: none"> <li>Diagnosis needs to be made by a specialist medical practitioner.</li> </ul>
<b>Terminal illness partial benefit.</b>	Payment if the client is diagnosed with a specified terminal illness condition.	<b>Up to \$250,000.</b>	<ul style="list-style-type: none"> <li>Conditions covered: Motor neurone disease, Stage 3 or 4 exocrine pancreatic cancer, Stage 4 non-small cell lung cancer, Stage 4 distal oesophageal cancer, Stage 4 liver cancer, Stage 4 stomach cancer, Class 4 congestive heart failure (unresponsive to treatment).</li> <li>Early payment is the lesser of 30% of the Life cover sum insured or \$250,000.</li> </ul>

Built-in benefit.	Benefit description.	Amount paid/benefit.	Conditions & Exclusions.
<b>Child's funeral benefit.</b>	Payment if the client's child (aged between 2 and 20 years inclusive) dies.	Up to \$15,000 (if child aged 10-20 years) Up to \$2,500 (if child aged 2-10 years).	<ul style="list-style-type: none"> <li>Death cannot be due to known congenital condition, or any child pre-existing condition.</li> <li>Death cannot occur within 3 months of cover start date or reinstatement.</li> </ul>
<b>Grief counselling benefit.</b>	Reimbursement for grief counselling from an accredited professional.	Up to \$2,500.	<ul style="list-style-type: none"> <li>Must be claimed within 12 months of receiving the lump sum.</li> </ul>
<b>Financial planning and legal advice benefit.</b>	Reimbursement for financial planning and/or legal advice in relation to the lump sum payment.	Up to \$2,500.	<ul style="list-style-type: none"> <li>Must be claimed with 12 months of receiving the lump sum.</li> <li>Does not cover legal fees to administer or distribute an estate.</li> </ul>
<b>Special events.</b>	<p>The client can increase their sum insured without providing health information if certain events occur. These events include:</p> <ul style="list-style-type: none"> <li>Marriage, civil union, or divorce, or</li> <li>pregnancy at 28 weeks, or birth of the same child, or</li> <li>adoption, or</li> <li>child starting secondary school, or</li> <li>paying for child's first course in full-time tertiary education, or</li> <li>reaching ages 25, 30, 35, 40 or 45, or</li> <li>terminal illness or death of a spouse, partner or child, or</li> <li>stopping work to take full time physical care of a dependent relative, or</li> <li>taking out or increasing a mortgage on their own home, or</li> <li>salary increase of at least \$5,000 or 10%.</li> </ul>	Up to \$250,000.	<ul style="list-style-type: none"> <li>The increase available is subject to other conditions applicable to the benefit.</li> <li>Only available before the client's 55th birthday.</li> <li>The increase must be exercised within 6 months of the event or 30 days following a policy anniversary.</li> <li>Is not available if cover is due to a buy back.</li> </ul>

Built-in benefit.	Benefit description.	Amount paid/benefit.	Conditions & Exclusions.
<b>Special events additional cover benefit.</b>	When a special event occurs, the client can add or increase an accelerated cover.	<b>Up to \$100,000.</b>	<ul style="list-style-type: none"> <li>● The accelerated cover sum insured cannot be more than the Life cover.</li> <li>● This benefit is not available if the Life cover has any loadings or exclusions.</li> <li>● Must be exercised before client's 50th birthday.</li> </ul>
<b>Business events.</b>	<p>The client can increase their sum insured without providing health information if certain business events occur. These events include:</p> <ul style="list-style-type: none"> <li>● Be a key person whose value to the business has increased over 3 years.</li> <li>● Are a partner in a firm or a shareholder in the company and they've increased their financial interest averaged over 3 years.</li> <li>● Cover has been taken out for the insured person for loan guarantees.</li> </ul>	<b>Up to \$250,000.</b>	<ul style="list-style-type: none"> <li>● The increase available is subject to other conditions applicable to the benefit.</li> <li>● The increase is proportional to the increase in value of the key person, financial holding, or loan guarantees.</li> <li>● The increase must be exercised within 6 months of the business event.</li> <li>● Can only be exercised once in any 12-month period, before the client's 55th birthday.</li> </ul>
<b>Premium holiday option.</b>	The client can suspend their Life cover and premiums for up to 12 consecutive months.	<b>Up to \$500,000.</b>	<ul style="list-style-type: none"> <li>● Reasons to suspend cover are limited to redundancy, bankruptcy, tertiary studies, or overseas travel.</li> </ul>
<b>Conversion option.</b>	Can convert the Life cover to another policy.	<b>100% of sum insured.</b>	<ul style="list-style-type: none"> <li>● Life cover must be in its original form.</li> <li>● All premiums must be paid to date.</li> </ul>



Optional benefit.	Benefit description.	Amount paid/benefit.	Conditions & Exclusions.
<b>CPI option.</b>	Increases the sum assured on each policy anniversary based on CPI data.	<b>Greater of 2% increase or CPI.</b>	<ul style="list-style-type: none"> <li>● This option expires on the policy anniversary before the clients' 65th birthday.</li> </ul>
<b>Indexation option.</b>	Increases the sum insured on each policy anniversary.	<b>2% increase.</b>	<ul style="list-style-type: none"> <li>● This option expires on the policy anniversary before the clients' 65th birthday.</li> </ul>
<b>Business future insurability option.</b>	The client can increase their sum insured without providing health information if certain business events occur. These events are the same as the Business events above.	<b>0.5-5 times the sum insured.</b>	<ul style="list-style-type: none"> <li>● The increase must be exercised within 6 months of the business event.</li> <li>● Must be exercised before the client's 60th birthday.</li> </ul>
<b>Terminal illness booster cover.</b>	Payable if the client is diagnosed with a terminal illness and survives 30 days without life support.	<b>Up to \$500,000</b>	<ul style="list-style-type: none"> <li>● The Terminal illness booster cover ends if the Life cover it is attached to ends.</li> </ul>
<b>Continuation option.</b>	Allows the policy to continue with the same level of cover on an age-rated basis at expiry, or to take out another level term policy.	<b>Choose continuation on age-rated or level basis.</b>	<ul style="list-style-type: none"> <li>● This option expires on the clients' 75th birthday.</li> </ul>

Exclusions.	Limitations.
<b>Suicide within 13 months of cover start date, reinstatement, or increase in sum insured.</b>	-

## Fidelity Life Assurance Company Limited.



\*Fidelity Life has an A- (Excellent) financial strength rating from A.M. Best. The rating scale that this rating forms part of is available for inspection at our offices. For more information please visit Fidelity Life's [financial strength page](#).

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