

Premium Cover

What is Premium Cover?

Premium Cover is an insurance that pays your total insurance premiums if you are disabled and unable to work.

Why do you need Premium Cover?

If you were to become totally disabled and unable to earn an income, then your financial priorities would change. If you have the right insurance in place you shouldn't have to tighten your purse strings too much. Premium Cover assists you by paying for the cost of your policy for the entire time you are on claim, meaning you have 1 less thing to budget for!

How does it work?

Premium Cover is an integral part of Income Cover and Mortgage Repayment Cover but it's just as important to have alongside all of our other Assurance Extra Covers such as:

- Life Cover and Life Income Cover
- Trauma Cover
- Complete Disablement Cover.

Regardless of the covers you choose, Premium Cover will pay your premium should you become totally disabled, or be made redundant or bankrupt.

Premium Cover overview

Entry criteria:



Minimum entry **age 16**
Maximum entry **age 55**

Cover amount:



Total premium

Cover term:



To **age 65**
To **age 70**
(if Cover term "to age 70" on Income Cover is chosen)

Waiting period:



You can choose a waiting period of:
4, 8, 13, 26 or 52 weeks

Occupation classes: 1-5

Your occupation class is determined by the work you do. Your financial adviser will be able to help you work out what occupation class will apply to you.

Mandatory cover:

It's mandatory to have Premium Cover if you have selected Income Cover or Mortgage Repayment Cover.

Meaning of total disability

Total disability is dependent on your occupation class.

For occupation classes 1-4:

Total disability means as a result of illness or injury, you are continuously unable to perform at least 1 of the duties of your pre-disability occupation which is necessary to produce pre-disability income and you are not working in any occupation.

For occupation class 5:

Total disability means if you are continuously confined under medical supervision and unable to perform at least 2 of the 5 below activities of daily living, without the physical assistance of another person:

- bathing or showering
- dressing and undressing
- eating and drinking
- using a toilet to maintain personal hygiene, or
- moving from place to place by walking, wheelchair or with the assistance of a walking aid.

What's not covered?

- Intentional self-inflicted harm including attempted suicide
- Participating in a criminal activity
- Pregnancy or complications thereof lasting less than 90 days after the end of the pregnancy
- Failure to comply with the advice and treatment recommended by the attending treatment provider
- Payments resulting as a result of an increase in cover under your policy during the period of any claim.



Premium details

Minimum premium:



\$20 per month
(incl. policy fee)

Payment frequency:



Weekly, fortnightly,
monthly, half-yearly,
annually

Payment method:



Direct debit,
credit/debit card, annual
cheque

Premium review structure

Under Premium Cover, you will have a 1 year premium review period. This means your premiums will adjust each year on your policy anniversary in line with your increasing age and any underlying premium rate changes that have occurred since your last policy anniversary date.

Benefit details

Premium Cover provides several benefits that are built-in to the cover.

Some facts to think about



\$1,300 per week

The average weekly household expenditure is **\$1,300 per week.**

(www.stats.govt.nz - Household Expenditure Statistics: Year Ended June 2016)



In 2017, **231,100** claims were made to ACC for work-related injury.

(stats.govt.nz injury statistics - work-related claims: 2017)



There are an estimated 60,000 stroke survivors in New Zealand; many are disabled and in need of significant daily support.

(stroke.org.nz: 2018)

If you're still not sure, ask yourself.

If I became disabled and was no longer able to earn my regular income, could I afford to continue paying my insurance premiums to ensure my insurance cover remained in place for me and my family?

If 'no', then now is a good time to talk to your financial adviser.

Built-in benefits

Premium Cover provides several benefits that are built-in to your cover including:

Benefit	What is it?	How it works	Why it's important
Total Disability Benefit	Your insurance premium will be paid if you become totally disabled.	If you become totally disabled, your total premium will be paid until either you are no longer disabled, or your policy has reached the end of its cover term (whichever occurs first). The total premium includes premiums for other people covered on your policy, even if they are not disabled.	Relieves you and your family of the financial responsibility of paying your premium during your treatment and recovery.
Partial Disability Benefit	Your premiums will be paid if you return to work on a part-time basis. Not available for occupation class 5.	If you have been totally disabled for at least 7 consecutive days but return to work at a reduced capacity, Premium Cover will still pay the full policy premium. Your income has to be 75% or less of your pre-disability income.	Ensures that your policy remains in force in the event you can't return to work full time due to disability.
Bankruptcy and Redundancy Benefit	Your premiums will be paid if you are made redundant or bankrupt.	Your premiums will be paid if you are made redundant or bankrupt and remain so for at least the waiting period. Premiums will be paid for a maximum of 6 months or until you return to work (whichever occurs first).	Ensures that your policy remains in force in the event you lose your job or are made bankrupt.
Bereavement Loyalty Benefit	If you were to die, your spouse or children covered will have their premiums paid for 2 years.	If you were to die, and your spouse or children are covered on your policy, we will continue to provide cover for them, without requiring further premiums for 2 years from the date of your death. Surviving children will have their premiums paid for 2 years or until they reach the age of 21 (whichever occurs first). This benefit is only available after 3 years of continuous cover.	Reassurance that if the worst was to happen, your family will still be covered after you've gone.
Recurrent Disability Benefit	Waiver of your waiting period if your disability recurs within 6 months of going off claim.	If you suffer a recurrence of a disability within 6 months of the end of a claim for the same illness or injury, the waiting period will be waived for the new claim. For the shorter payment terms (e.g. 2 years and 5 years), both the original and recurrent claims will be added together for the purposes of calculating the duration of the payment term.	If you suffer a recurrence of the same disability you are not unfairly penalised by having to wait out the period again.



Why OnePath?

We'll be here when you need us.

We take our responsibility to customers seriously. If you have any questions, at any stage, please don't hesitate to contact your financial adviser or us.



Talk to your financial adviser



Call us on 0508 464 999



Visit onepath.co.nz



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Important information

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OnePath Life (NZ) Limited