

OPTIONAL BENEFIT APPENDIX

Comprehensive Living Assurance Benefit

This *appendix* only applies if cover under *the schedule* includes the Comprehensive Living Assurance Benefit (standalone or accelerated). This *appendix* forms part of and is incorporated into *your* TotalCareMax policy, the terms of which apply to this *appendix*.

Details of the benefit and the names of the people insured for the benefit (called the life or lives assured) are shown in *the schedule*.

1. When will Sovereign pay a Comprehensive Living Assurance Benefit?

Sovereign will pay *you* (subject to the provisions of this policy) a Comprehensive Living Assurance Benefit if the *life assured* suffers for the first time after the *risk commencement date* any of the *conditions* listed in the table below and survives for at least 14 days thereafter. An exception is the Optional Total Permanent Disablement condition, for which a three month survival period applies.

What stand down periods apply?

If, within the first three months after the *risk commencement date*, any of the *conditions* marked in the table below as having a three month stand down period occur, or symptoms or signs which lead to any of those *conditions* (whether or not a *Registered Medical Practitioner* has been consulted) occur, then Sovereign will not pay a benefit for the *life assured* or any *child* of the *life assured* covered by the Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit.

Cover added under the Comprehensive LAB Future Insurability Benefit or the Special Events Increase Facility

A six month stand down period applies to increases made under the Built-in Comprehensive LAB Future Insurability Benefit or the Built-in Special Events Increase Facility, except where the claim is due to an *accident*, as outlined in Sections 9 and 10. Where the claim is due to an *accident*, the three month stand down period is waived on such increases, provided the *life assured* has already served the three month stand down period on the original Comprehensive Living Assurance Benefit policy.

Cover added under the Special Events TPD/Trauma Facility

A six month stand down period applies to any accelerated Comprehensive Living Assurance Benefit cover added for the *life assured* using the Special Events TPD/Trauma Facility under the Life Cover Benefit, except where the claim is due to an *accident*, as outlined in the Life Cover Benefit *appendix*. Where the claim is due to an *accident*, the three month stand down period applies to the added cover from the date the added cover commences, for any of the *conditions* marked in the table below as having a three month stand down period.

Built-in Newborn Children's Benefit

A 12 month stand down period applies to the Built-in Newborn Children's Benefit, meaning that Sovereign will only pay a claim for a biological child of a *life assured* where the birth of the child with one of the applicable *conditions* occurs at least 12 months after the *risk commencement date*.

This 12 month stand down period applies anew to all added cover from the date the added cover commences, including cover added using the Comprehensive LAB Future Insurability Benefit, the Special Events Increase Facility, or the Special Events TPD/Trauma Facility under the Life Cover Benefit.

Medical Advancements Provision

If the medical diagnostic techniques and investigations used in our definitions of medical conditions have been superseded due to medical advancements, we will consider other appropriate and medically recognised methods or tests that conclusively diagnose the condition to at least the same severity.

The following requirements must be met for a claim to be considered:

- > The new diagnostic techniques and investigations are not experimental and are *medically necessary* and medically equivalent or superior to the original diagnostic technique or investigation.
- > Any new diagnostic techniques and investigations must be deemed medically acceptable based on medical standards and medically recognised in Australia or New Zealand by specialist medical practitioners.

	Three month stand down period	Full Payment	Partial payment	Built-in Children's Trauma Benefit (Section 4)	Optional Children's and Maternity Benefit (Section 17)
Cancer					
Carcinoma-in-situ	✓	-	✓	✓	✓
Carcinoma-in-situ radical surgery	✓	✓	-	✓	✓
Malignant tumours and blood cancers	✓	✓	-	✓	✓
Prostate Cancer	✓	✓	-	✓	✓
Heart					
Angioplasty – less than 3 vessels	✓	-	✓	✓	✓
Angioplasty – 3 vessels or more	✓	✓	-	✓	✓
Aortic surgery	✓	✓	-	✓	✓
Cardiac Defibrillator Insertion	✓	-	✓	-	-
Cardiomyopathy	-	✓	-	✓	✓
Coronary artery bypass surgery	✓	✓	-	✓	✓
Heart attack	✓	✓	-	✓	✓
Heart valve surgery	✓	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Out-of-hospital cardiac arrest	-	✓	-	✓	✓
Pacemaker insertion	✓	-	✓	-	-
Pulmonary hypertension	-	✓	-	✓	✓
Major neurological disease					
Alzheimer's disease	-	✓	-	✓	✓
Benign brain or spinal cord tumour	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Cerebral Aneurysm	✓	-	✓	-	-
Coma	-	✓	-	✓	✓
Creutzfeldt-Jakob disease	-	✓	-	✓	✓
Dementia	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Encephalitis	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Idiopathic Parkinson's disease	-	✓	-	✓	✓

	Three month stand down period	Full Payment	Partial payment	Built-in Children's Trauma Benefit (Section 4)	Optional Children's and Maternity Benefit (Section 17)
Major head trauma	-	✓	-	✓	✓
Meningitis	-	✓	-	✓	✓
Motor neurone disease	-	✓	-	✓	✓
Multiple sclerosis	✓	✓	-	✓	✓
Muscular dystrophy	-	✓	-	✓	✓
Peripheral neuropathy	-	✓	-	✓	✓
Stroke	✓	✓	-	✓	✓
Paralysis and loss of functionality					
Diplegia	-	✓	-	✓	✓
Hemiplegia	-	✓	-	✓	✓
Loss of independent existence	-	✓	-	✓	✓
Paraplegia	-	✓	-	✓	✓
Permanent blindness	✓	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Permanent loss of hearing	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Permanent loss of speech	-	✓	-	✓	✓
Permanent loss of use of limbs	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Quadriplegia / Tetraplegia	-	✓	-	✓	✓
Other key conditions					
Advanced AIDS	-	✓	-	✓	✓
Advanced diabetes	✓	✓	-	✓	✓
Aplastic anaemia	-	✓	-	✓	✓
Chronic liver failure	✓	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Chronic lung disease	✓	✓	-	✓	✓
Chronic renal failure	-	✓	-	✓	✓
Cognitive impairment	-	✓	-	✓	✓

	Three month stand down period	Full Payment	Partial payment	Built-in Children's Trauma Benefit (Section 4)	Optional Children's and Maternity Benefit (Section 17)
HIV	-	✓	-	✓	✓
Intensive care	-	✓	✓	(partial payment unavailable)	(partial payment unavailable)
Major transplant surgery	-	✓	-	✓	✓
Pneumonectomy	-	✓	-	✓	✓
Severe burns	-	✓	✓	(partial payment unavailable)	(partial payment unavailable)
Severe Crohn's disease	✓	-	✓	-	-
Severe illness or injury	✓	✓	-	✓	✓
Severe osteoporosis	✓	-	✓	-	-
Severe rheumatoid arthritis	✓	-	✓	-	-
Severe ulcerative colitis	✓	-	✓	-	-
Systemic lupus erythematosus with lupus nephritis	-	✓	-	✓	✓
Systemic sclerosis	-	✓	-	✓	✓
Terminal illness	-	✓	-	✓	✓
Optional condition					
Total Permanent Disablement	-	✓	-	-	-

(Refer to Section 22 for a full description of these *conditions*.)

If *you* receive a full payment claim for a *life assured* under this Comprehensive Living Assurance Benefit, cover will cease for that *life assured*.

If *you* receive a partial payment of this Comprehensive Living Assurance Benefit for a *life assured*, cover will continue for that *life assured* with the sum assured being reduced by the amount of the partial payment amount. The *premium* will reduce with the reduction in sum assured.

If the *life assured* suffers more than one *condition* (including the Optional Total Permanent Disablement condition), Sovereign will pay a maximum of the Comprehensive Living Assurance Benefit sum assured for all claims (in total).

2. What effect does payment of an accelerated Comprehensive Living Assurance Benefit have on the Life Cover Benefit?

This section applies only if an accelerated Comprehensive Living Assurance Benefit is shown in *the schedule*.

When Sovereign pays an accelerated Comprehensive Living Assurance Benefit, the Life Cover Benefit for the *life assured* will decrease by the same amount. Any other accelerated benefits relating to that Life Cover Benefit will also be reduced, if necessary, so that those accelerated benefits do not exceed the decreased Life Cover Benefit. If the Life Cover Benefit is reduced to nil, all accelerated benefits relating to that Life Cover Benefit will be removed.

The maximum combined amount payable under the Life Cover Benefit, Specified Terminal Conditions Benefit, Terminal Illness Benefit, Bereavement Support Benefit, Repatriation Benefit, accelerated Living Assurance Benefit and, if applicable, the accelerated Progressive Care Benefit and the accelerated Total Permanent Disablement Benefit is the amount of the Life Cover Benefit for that *life assured*.

3. Built-in Financial and Legal Advice Benefit

If Sovereign pays a full payment claim under this Comprehensive Living Assurance Benefit for a *condition* suffered by a *life assured*, then Sovereign will reimburse *you* for fees up to \$2,500 including GST (in total) that *you* pay for financial planning *you* receive from an *accredited Adviser* or legal advice received from a legal professional approved by Sovereign, subject to the following conditions:

- > *You* must pay for the financial planning or legal advice within the three months following Sovereign paying the Comprehensive Living Assurance Benefit claim.
- > *You* must provide Sovereign with a completed claim form and a receipt satisfactory to Sovereign for the fees *you* are claiming.
- > Sovereign will only pay one Financial and Legal Advice Benefit per *life assured* across all *Sovereign policies*. This is in addition to the sum assured.

The Built-in Financial and Legal Advice Benefit is not payable for a claim for a *child* of the *life assured* under the Built-in Children's Trauma Benefit, the Built-In Parents Grieving Benefit, the Optional Children's and Maternity Benefit or the Built-in Newborn Children's Benefit.

4. Built-in Children's Trauma Benefit

What is the Built-in Children's Trauma Benefit?

Sovereign will pay a Built-in Children's Trauma Benefit if a *child* of a *life assured* suffers one of the applicable *conditions* listed in Section 1 of this *appendix*.

This Benefit is only payable if the *child* of the *life assured*:

- > first suffers a *condition* after the *risk commencement date*, subject to the applicable stand down period provisions where these apply;
- > is aged from three months up to their 21st birthday at the time he or she first suffers from that *condition*; and
- > survives for at least 14 days after suffering from the *condition*.

What are the applicable conditions and how much will Sovereign pay?

For those *conditions* where the criteria for a full payment are met as detailed in Section 22 below, the Benefit payable is the lower of \$50,000 or 50% of the sum assured across all Comprehensive Living Assurance Benefit policies for the *life assured*.

No payments are made under this Benefit for the Optional Total Permanent Disablement condition or any of those *conditions* where a partial payment applies, except for the following *conditions*:

- > Angioplasty – less than 3 vessels.
- > Carcinoma-in-situ.

For these *conditions*, the Benefit payable is the lower of \$50,000 or 10% of the sum assured across all Comprehensive Living Assurance Benefit policies for the *life assured*.

Sovereign will pay a maximum of one claim per *child* under either the Built-in Children's Trauma Benefit or the Built-in Newborn Children's Benefit, across all *Sovereign policies*.

The Built-in Children's Trauma Benefit or the Built-in Newborn Children's Benefit is payable in addition to the Optional Children's and Maternity Benefit (if applicable).

Payment of the Built-in Children's Trauma Benefit will not affect the amount of any Comprehensive Living Assurance Benefit payable for the *life assured*.

Sovereign will not pay a benefit under the Built-in Children's Trauma Benefit that arises as a direct or indirect consequence of:

- > a pre-existing condition; or
- > any *congenital condition*.

The Built-in Children's Trauma Benefit ceases on the *child's* 21st birthday.

5. Built-in Newborn Children's Benefit

What is the Built-in Newborn Children's Benefit?

Sovereign will pay a Built-in Newborn Children's Benefit if a biological child of a *life assured* is born with one of the following *conditions* and survives for thirty days after birth:

- > Cleft palate.
- > Down's syndrome.
- > Spina bifida.
- > Total blindness.
- > Absence of one or more *limbs*.
- > Tetralogy of Fallot.
- > Transposition of Great Vessels.
- > Deafness.

Please refer to Section 23 for the definitions of these *conditions*.

In order for Sovereign to pay a claim under this Benefit, we will require medical information from a *registered medical practitioner* acceptable to us that conclusively evidences the *condition*. In circumstances where a conclusive diagnosis cannot be made at birth, we will defer our assessment of the claim until sufficient evidence can be supplied. For example, this might apply in the case of total blindness or deafness, where a conclusive diagnosis may not be possible until later in the *child's* life. In these cases, the claims assessment will be based on the *child's* sight or hearing impairment at the date that conclusive diagnosis is first possible.

A claim is only payable under the Built-in Newborn Children's Benefit if cover remains in effect for the *life assured* up to the date that the conclusive diagnosis for the child occurs.

How much will Sovereign pay?

The Benefit payable is the lower of \$50,000 or 50% of the sum assured across all Comprehensive Living Assurance Benefit policies for the *life assured*.

Sovereign will pay a maximum of one claim per *child* under either the Built-in Newborn Children's Benefit or the Built-in Children's Trauma Benefit, across all *Sovereign policies*.

The Built-in Newborn Children's Benefit is only payable where the birth of the child with one of the applicable *conditions* occurs at least 12 months after the *risk commencement date*.

This requirement applies anew to all added cover from the date the cover commences; including cover added using the Built-in Comprehensive LAB Future Insurability Benefit, the Special Events Increase Facility, or the Special Events TPD/Trauma Facility under the Life Cover Benefit.

The Built-in Children's Trauma Benefit or the Built-in Newborn Children's Benefit is payable in addition to the Optional Children's and Maternity Benefit (if applicable).

Payment of the Built-in Newborn Children's Benefit will not affect the amount of any Comprehensive Living Assurance Benefit payable for the *life assured*.

6. Built-in Children's Trauma Conversion Facility

The Built-in Children's Trauma Benefit can be converted to:

- > a standalone Comprehensive Living Assurance Benefit; or
- > an accelerated Comprehensive Living Assurance Benefit with an equal amount of Life Cover benefit,

with a maximum sum assured of \$50,000 or 50% of the *life assured's* original sum assured whichever is the lesser, without further medical evidence. Where the *life assured's* sum assured has reduced the conversion will be calculated on the reduced amount.

If the Optional Children's and Maternity Benefit is shown on *the schedule*, it can also be converted to a standalone Comprehensive Living Assurance Benefit or an accelerated Comprehensive Living Assurance Benefit with an equal amount of Life Cover benefit with a maximum sum assured of \$75,000 without further medical evidence.

The following conditions are applicable to both Children's Trauma Conversion options:

- > A conversion cannot occur if the *child* has claimed or was eligible to claim under the Built-in Children's Trauma Benefit and/or Optional Children's and Maternity Benefit; and
- > *Your* request for conversion must be received by Sovereign within 60 days of the *anniversary date* after the *child's* 21st birthday; and
- > *Your* request must be received in writing.

An applicable *premium* will be payable on converted cover.

7. Built-in Standalone Conversion Facility

If *the schedule* shows the Comprehensive Living Assurance Benefit as standalone *you* can convert this to an accelerated Comprehensive Living Assurance Benefit with an equal amount of Life Cover Benefit without any further medical evidence subject to the following:

- > The *life assured* was accepted with standard underwriting terms (e.g. there are no special terms, exclusions or *premium* loadings applicable to the *life assured*);
- > The *life assured* is only eligible for the Standalone Conversion Facility where the conversion occurs before age 60;
- > The *life assured* has not made a claim, with Sovereign or any other insurer, and is not eligible to make a claim under their standalone Comprehensive Living Assurance Benefit. This includes any claim currently under assessment;
- > The *premiums* for their standalone Comprehensive

Living Assurance Benefit are paid up to date, and

- > The accelerated Comprehensive Living Assurance Benefit sum assured must be less than or equal to the standalone Comprehensive Living Assurance sum assured;
- > The Life Benefit Cover sum assured does not exceed the accelerated Comprehensive Living Assurance sum assured.

The *premium* for the conversion will be based on the age of the *life assured* and our *premium* rates at the *date of conversion*.

If the death of the *life assured* occurs within three months of the *date of conversion*, other than by *accidental death*, then this conversion is void and the standalone Comprehensive Living Assurance Benefit will be reinstated from the *date of conversion*.

8. Built-in Premium Conversion Facility

You may at any time prior to the *life assured* reaching age 65:

- > Convert all or part of *your* Comprehensive Living Assurance Benefit from the *premium* shown in the *schedule* to a Level *premium* structure. The Comprehensive Living Assurance Benefit under *your* policy will be reduced by the sum assured amount converted; or
- > Convert a Level *premium* Term to a further Level *premium* term, of which duration may be the same or less than current Level *premium* Term.

Sovereign will not require *you* or the *life assured* to produce further medical evidence at the time of conversion. The terms and conditions of the new policy will be those which are then offered by us to the general public. *Premiums* will be calculated on the current age of the *life assured*. Any special terms, exclusions or *premium* loading that applied to *your* existing Comprehensive Living Assurance Benefit will apply to *your* new Comprehensive Living Assurance Benefit.

9. Built-in Special Events Increase Facility

What is the Special Events Increase Facility?

On each occasion when one of the following circumstances occurs for a *life assured* on the Comprehensive Living Assurance Benefit:

- > having a *child* (by birth or legal adoption);
- > becoming married or entering into a civil union;
- > becoming legally separated, divorced or the dissolution of the *life assured's* civil union;
- > financially supporting a dependent *child* through a first course of full-time tertiary education;

- > the commencement of secondary school for the first time by a *child* of the *life assured*;
 - > taking out or increasing a home loan because the *life assured* has purchased a new home, a new residential investment property, a vacation home, or a bare block of land zoned as residential, or is making extensions to a residential property or residential investment property owned by the *life assured*;
 - > becoming responsible for the *full-time care* or payment for long term care of a *close relative*;
 - > receiving an *annual salary* increase (this special event is not available to a *life assured* who is self-employed); or
 - > experiencing the death of a spouse or de facto partner,
- you* may write to Sovereign asking us to increase the Comprehensive Living Assurance Benefit for that *life assured*.

What is the maximum cover that can be added?

The maximum increase for each special event cannot exceed the lower of:

- > 50% of the original Comprehensive Living Assurance Benefit for the *life assured*; or
- > \$250,000.

The total of all increases made under this Facility cannot exceed the lower of:

- > 100% of the original Comprehensive Living Assurance Benefit for the *life assured*; or
- > \$750,000.

In the case of taking out or increasing a home loan, the individual increase cannot exceed the amount of the home loan or the increase in the home loan.

In the case of an *annual salary* increase, the individual increase cannot exceed five times the *annual salary* increase.

The maximum increases outlined above each apply in respect of all Living Assurance Benefits, Progressive Care Benefits, and similar benefits for that *life assured* across all *Sovereign policies*.

Both of the following maximum sum assured limits also apply across all *Sovereign policies* for each *life assured*:

- (a) the total of the sum assured for all Living Assurance Benefits, Progressive Care Benefits, and similar trauma benefits (combined), including increases under this Facility must not exceed \$2,000,000; and
- (b) the total of the sum assured for all trauma benefits combined must not exceed \$2,000,000 and the total sum assured for all trauma and Total Permanent Disablement Benefits (and similar benefits) combined must not exceed \$5,000,000.

What are the other conditions applying to this Facility?

You do not need to produce any medical evidence regarding the *life assured* when *you* request this increase, but any

Special Events Increase is subject to the following conditions:

- > You must make the request within 60 days either side of the relevant special event and provide Sovereign with suitable evidence of the occurrence of the event.
- > A *life assured* is only eligible for Special Events Increases where the special event occurs from the age of 16 and before age 55.
- > If, at any time before you seek to exercise the Facility, a claim for the *life assured* had been accepted by us or notified to us, Sovereign will have discretion in determining whether the Facility can be exercised. In exercising discretion, we will consider whether, based on the medical evidence submitted in support of the claim, the *life assured* represents an increased risk of claim for the benefit being added under this Facility.
- > Only one of the following is available in any 12 month period:
 - A Comprehensive LAB Future Insurability Benefit increase (see Section 10 below).
 - A Special Events Increase under a Living Assurance Benefit or Progressive Care Benefit.
 - (If applicable) exercising the Special Events TPD/Trauma Facility under the Life Cover Benefit and/or similar benefits to add an accelerated Living Assurance Benefit or an accelerated Progressive Care Benefit.
- > The Optional Early Cancer Upgrade Benefit is not available for the purposes of determining Special Event Increases.

Sovereign will increase the Comprehensive Living Assurance Benefit for a *life assured* from the date we accept your request.

Each increase will require an increase in *premium*. This increase will be calculated on the rates applicable at the time the Built-in Special Events Increase Facility is exercised.

Any loadings, exclusions or special terms on the original Comprehensive Living Assurance Benefit sum assured will be applied to the increased amount.

If you have the Optional Living Assurance Buyback Benefit or the Optional Life Cover Buyback Benefit selected on the policy for your original Living Assurance Benefit, you can choose to add these Benefits to the portion of the increased sum assured when you exercise the Special Events Increase Facility.

When will Sovereign not pay a claim for an increase under this Facility?

Increases in sum assured added to this policy

After an increase under this Facility has been made, Sovereign will not pay the increased benefit amount if,

before the increase, or within six months of the Facility being exercised, the *life assured*:

- > suffers any *condition* for the first time other than due to an *accident* under the Comprehensive Living Assurance Benefit; or
- > has any symptoms or signs leading to a *condition* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Comprehensive Living Assurance Benefit.

Increases in sum assured issued as an additional new policy

Where this policy or any part of the sum assured under it, has been issued as the result of an increase under the Built-in Special Events Increase Facility, then:

- > the Special Events Increase Facility will not be available under this policy for the proportion of the sum assured that represents the increase;
- > Sovereign will not pay the increased benefit amount if, before the increase, or within six months of the increase, the *life assured*:
 - suffers any *condition* for the first time other than due to an *accident* under the Comprehensive Living Assurance Benefit; or
 - has any symptoms or signs leading to a *condition* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Comprehensive Living Assurance Benefit.

10. Built-in Comprehensive LAB Future Insurability Benefit

At every third policy *anniversary date* you may write to Sovereign asking us to increase the Comprehensive Living Assurance Benefit for a *life assured*.

You do not need to produce any medical evidence regarding the *life assured* when you request this increase, but any increase in sum assured under this Benefit is subject to the following conditions:

- > You must request the increase by providing written advice to Sovereign within 60 days either side of the applicable *anniversary date*. Outside of this time frame, the Comprehensive LAB Future Insurability Benefit is not available.
- > Each individual increase cannot exceed 20% of the original Comprehensive Living Assurance Benefit sum assured or \$200,000, whichever is the lesser.
- > The total of all Comprehensive LAB Future Insurability Benefit increases for a *life assured* cannot exceed 100% of the original Comprehensive Living Assurance Benefit for that *life assured* or \$500,000, whichever is the lesser.

- > Both of the following maximum sum assured limits also apply across all *Sovereign policies* for each *life assured*:
 - (a) The total of the sum assured for all Living Assurance Benefits, Progressive Care Benefits, and similar trauma benefits (combined), including increases under this Facility must not exceed \$2,000,000; and
 - (b) The total of the sum assured for all trauma benefits combined must not exceed \$2,000,000 and the total sum assured for all trauma and Total Permanent Disablement Benefits (and similar benefits) combined must not exceed \$5,000,000.
- > Where this Comprehensive Living Assurance Benefit is shown in *the schedule* as accelerated against the Life Cover Benefit, the Comprehensive Living Assurance Benefit, including the total of all Comprehensive LAB Future Insurability Benefit increases, cannot exceed the sum assured of the Life Cover Benefit. See Section 2 'What effect does payment of an accelerated Comprehensive Living Assurance Benefit have on the Life Cover Benefit' for details.
- > A *life assured* is only eligible for Comprehensive LAB Future Insurability Benefit increases from the age of 16, and before age 55.
- > Sovereign will increase the Comprehensive Living Assurance Benefit for a *life assured* from the date we accept *your* request.
- > If, at any time before *you* seek to exercise an increase under this Benefit, a claim for the *life assured* had been accepted by us or notified to us, Sovereign will have discretion in determining whether the increase will be accepted. In exercising discretion, we will consider, based on the medical evidence submitted in support of the claim, whether the *life assured* represents an increased risk of claim for the cover being added under this Benefit.
- > Only one of the following is available in any 12 month period:
 - A Built-in Comprehensive LAB Future Insurability Benefit increase;
 - A Special Events Increase under a Living Assurance Benefit or Progressive Care Benefit; or
 - (If applicable) exercising the Special Events TPD/Trauma Facility under the Life Cover Benefit and/or similar benefits to add an accelerated Living Assurance Benefit or an accelerated Progressive Care Benefit.
- > The Optional Early Cancer Upgrade Benefit is not available for the purposes of determining Built-in Comprehensive LAB Future Insurability Benefit increases.

Each Built-in Comprehensive LAB Future Insurability Benefit increase in sum assured will require an increase in *premium*. This increase will be calculated on the rates applicable at the

time the Built-in Comprehensive LAB Future Insurability Benefit is exercised.

Any loadings, exclusions or special terms on the original Comprehensive Living Assurance Benefit sum assured will be applied to the increased amount.

The Built-in Comprehensive LAB Future Insurability Benefit is not available for the Optional Early Cancer Upgrade Benefit or the Optional Children's and Maternity Benefit.

If *you* have the Optional Living Assurance Buyback Benefit or the Optional Life Cover Buyback Benefit selected on the policy for *your* original Living Assurance Benefit, *you* can choose to add these benefits to the portion of the increased sum assured when *you* exercise the Built-in Comprehensive LAB Future Insurability Benefit.

When will Sovereign not pay a claim for an increase under this Benefit?

a. Increases in sum assured added to this policy

After a Built-in Comprehensive LAB Future Insurability Benefit increase has been made, Sovereign will not pay the increased amount if, before the increase, or within six months of the increase, the *life assured*:

- > suffers any *condition* for the first time other than due to an *accident* under the Comprehensive Living Assurance Benefit; or
- > has any symptoms or signs leading to a *condition* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Comprehensive Living Assurance Benefit.

b. Increases in sum assured issued as an additional new policy

Where this policy or any part of the sum assured under it, has been issued as the result of an increase under the Built-in Comprehensive LAB Future Insurability Benefit, then:

- > The Built-in Comprehensive LAB Future Insurability Benefit under this policy will not be available for the proportion of the sum assured that represents the increase.
- > Sovereign will not pay the increased amount if, before the increase, or within six months of the increase, the *life assured*:
 - suffers any *condition* for the first time other than due to an *accident* under the Comprehensive Living Assurance Benefit; or
 - has any symptoms or signs leading to a *condition* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Comprehensive Living Assurance Benefit.

11. Built-in Return Home Benefit

Sovereign will pay a Return Home Benefit if the *life assured* is outside of New Zealand and suffers, for the first time, a covered *condition*.

The Return Home Benefit will reimburse the cost of a standard economy flight back to New Zealand for the *life assured* and one support person.

You will need to provide evidence of the transport costs satisfactory to us before a claim under the Return Home Benefit will be paid.

In total the maximum we will pay over the life of the policy under the Return Home Benefit is \$10,000. A Return Home Benefit is paid in addition to the Comprehensive Living Assurance Benefit.

No payment will be made if the *life assured* is covered for the same event with a travel insurance provider.

12. Built-in Parents Grieving Benefit

When is a Parents Grieving Benefit payable?

Sovereign will pay a Parents Grieving Benefit if a *child* of a *life assured* dies:

- > prior to birth but after at least 24 weeks gestation, provided the *child* would have been born at least 12 months after the *risk commencement date* if the pregnancy continued to full term, where the *life assured* is the biological mother of the child; or
- > after birth and at least 12 months after the *risk commencement date*.

This Parents Grieving Benefit ceases on the *child's* 21st birthday.

How much will Sovereign pay for the Parents Grieving Benefit?

The benefit payable is:

- > \$2,000 if the *child* is under 10 years of age, or
- > \$15,000 if the *child* is 10 years of age or over.

Payment of the Parents Grieving Benefit will not reduce the sum assured of the Comprehensive Living Assurance Benefit for the *life assured*.

Sovereign will pay a maximum of one claim per *child* under the Parents Grieving Benefit across all *Sovereign policies* for a *life assured*.

13. Built-in Counselling Benefit

The Counselling Benefit covers the cost of a Psychiatrist or Psychologist consultation and/or counselling for the *life assured* and/or a *close relative* of the *life assured* where the support treatments and/or consultations directly relate to a claim under the Comprehensive Living Assurance Benefit. After referral by an appropriate *specialist* we will reimburse up to \$2,500 including GST (in total) per *life assured*, subject

to the following conditions:

- > The consultation and/or counselling must be paid for within three months following Sovereign paying the Comprehensive Living Assurance claim; and
- > Sovereign must be provided with a receipt for the consultation and/or counselling being claimed.

The \$2,500 including GST (in total) is payable once per *life assured* per policy. This is in addition to the sum assured.

14. Built-in Suspension of Premium Benefit

A *life assured* can suspend their cover under this Comprehensive Living Assurance Benefit *appendix* for up to 12 months if they:

- > go on parental leave;
- > go on leave without pay for any reason;
- > become unemployed or redundant;
- > experience at least a 20% reduction in pay (comparing the most recent payslip against a previous payslip from the same year); or
- > if self-employed, experience a 30% reduction in revenue (by comparing one month's revenue against the same month for the previous year),

provided that:

- > you notify Sovereign within three months of one of the above listed suspension events occurring and provide evidence to Sovereign of the suspension event; and
- > Sovereign acknowledges in writing receipt of that notification.

Cover for the *life assured* will be suspended from the date set out in Sovereign's written acknowledgement.

No *premium* will be payable during the period that the cover is suspended.

No claim under this Comprehensive Living Assurance Benefit *appendix* will be payable for any *condition* that occurs during the period that the cover is suspended.

A claim may only be payable if the *life assured* first meets the criteria for an eligible claim under this policy after their cover is reinstated.

Cover under this Comprehensive Living Assurance Benefit *appendix* may be reinstated at the end of the suspension period in accordance with this Section without the need to provide further medical evidence, provided that the benefit has been suspended for no longer than 12 months.

At the end of the suspension period, the benefit will be automatically reinstated for the *life assured*.

Cover for the *life assured* will be reinstated from the date set out in Sovereign's written acknowledgement.

The *premium* payable for the reinstated benefit will be based on Sovereign's *premium* rates at the time of the reinstatement.

15. Optional Early Cancer Upgrade Benefit

The Early Cancer Upgrade Benefit is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Early Cancer Upgrade Benefit.

Sovereign will pay an Optional Early Cancer Upgrade Benefit (subject to the provisions of this policy) if the *life assured* suffers for the first time one of the cancer *conditions* listed below, after the date cover commences under the Optional Early Cancer Upgrade Benefit.

Sovereign will not pay an Optional Early Cancer Upgrade Benefit if the *life assured* suffers the cancer *condition* or has any symptoms or signs leading to the cancer *condition* (whether or not a *registered medical practitioner* has been consulted) within three months after the date cover commences under the Optional Early Cancer Upgrade Benefit. The Optional Early Cancer Upgrade Benefit does not apply to *children* of the *life assured* covered under the Children's Trauma Benefit or the Optional Children's and Maternity Benefit.

Only one claim per *life assured* can be made under the Optional Early Cancer Upgrade Benefit. The Optional Early Cancer Upgrade Benefit will cease once a claim is paid and *your premiums* will reduce accordingly. If at claim time, the *life assured* does not have a base Living Assurance Benefit, no Optional Early Cancer Upgrade Benefit will be payable and any *premiums* paid for the Optional Early Cancer Upgrade Benefit after the base Living Assurance Benefit has been cancelled will be refunded to the policy owner.

The amount payable under the Optional Early Cancer Upgrade Benefit is 25% of the Comprehensive Living Assurance Benefit sum assured at the date cover commences under the Optional Early Cancer Upgrade Benefit, subject to a maximum of \$75,000 per *life assured* across all *Sovereign policies*. The amount payable under the Optional Early Cancer Upgrade Benefit does not change with any subsequent changes in the Comprehensive Living Assurance Benefit sum assured, such as changes due to:

- > annual indexation increases after the date cover commences under the Optional Early Cancer Upgrade Benefit;
- > cover added using the Special Events Increase Facility or the Special Events TPD/Trauma Facility;
- > Comprehensive LAB Future Insurability Benefit increases; or
- > reductions in the Comprehensive Living Assurance Benefit sum assured due to voluntary reduction or due to a partial payment claim.

Payment of the Optional Early Cancer Upgrade Benefit may be in addition to any other payments made under this policy.

Payment of the Optional Early Cancer Upgrade Benefit will not reduce the Comprehensive Living Assurance Benefit sum assured.

The Optional Early Cancer Upgrade Benefit covers carcinoma-in-situ of the following sites and is defined as a focal autonomous new growth of carcinomatous cells which has not yet resulted in the invasion of normal tissue. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane. The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as TIS according to the TNM staging method or FIGO Stage 0:

- > Breast.
- > Cervix.
- > Vagina.
- > Vulva.
- > Ovary.
- > Fallopian tube: tumour limited to tubal mucosa.

The Optional Early Cancer Upgrade Benefit also covers the following cancers:

- > Chronic lymphocytic leukaemia: where there must be the presence of chronic lymphocytic leukaemia which is histologically described as at least RAI Stage 0.
- > Malignant melanoma which is determined by histological examination to be less than Clark Level 3 depth of invasion, and less than 1.0mm maximum thickness as measured using the Breslow method, and shows no evidence of ulceration.
- > Malignant tumour of the prostate histologically described as TNM classification T1 or has a Gleason score of 5 or less for which treatment is not considered *medically necessary*, and undertaken by an appropriate *specialist* to arrest the spread of malignancy including but not limited to prostatectomy, chemotherapy, radiotherapy, or surgery.

The Optional Early Cancer Upgrade Benefit will cease when cover under the Comprehensive Living Assurance Benefit ceases.

Where the *life assured* has the Optional Living Assurance Buyback Benefit, the Optional Early Cancer Upgrade Benefit can be reinstated in addition to their Living Assurance Buyback Benefit, subject to the *life assured* satisfying the terms of the Optional Living Assurance Buyback Benefit.

The Optional Living Assurance Buyback Benefit cannot be used to reinstate the Optional Early Cancer Upgrade Benefit following a claim payment under the Optional Early Cancer Upgrade Benefit.

16. Optional Total Permanent Disablement condition

The Total Permanent Disablement *condition* is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Total Permanent Disablement *condition* and, subject to the provisions of this *appendix*, is included as a full payment *condition* under the Comprehensive Living Assurance Benefit.

The Optional Total Permanent Disablement *condition* does not apply to any *child* of a *life assured* covered under the Children's Trauma Benefit or the Optional Children's and Maternity Benefit.

The Optional Total Permanent Disablement *condition* does not apply once the *life assured* attains age 65.

17. Optional Children's and Maternity Benefit

The Children's and Maternity Benefit is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Children's and Maternity Benefit.

The Benefit is payable in addition to any Benefit payable under the Built-in Children's Trauma Benefit or the Built-in Newborn Children's Benefit.

Children's Critical Conditions Benefit

What is the Children's Critical Conditions Benefit?

Sovereign will pay a Children's Critical Conditions Benefit if a *child* of a *life assured* suffers one of the applicable *conditions* listed in Section 1 of this *appendix*.

This Benefit is only payable if the *child* of the *life assured*:

- > first suffers a *condition* after the *risk commencement date*, subject to the three month stand down period provisions where these apply;
- > is aged from three months up to their 21st birthday at the time he or she first suffers from that *condition*; and
- > survives for at least 14 days after suffering from the *condition*.

Sovereign will pay a maximum of one claim for a *child* under the Children's Critical Conditions Benefit across all *Sovereign policies* for a *life assured*. In cases where two policies each name a distinct parent of the *child* as a *life assured*, both policies are eligible to claim under the Children's Critical Conditions Benefit for that *child*, provided the Optional Children's and Maternity Benefit is shown in *the schedule* of both policies.

What are the applicable conditions and how much will Sovereign pay?

For those *conditions* where the criteria for a full payment are met as detailed in Section 22 below, the Benefit payable is the lower of \$75,000 or 50% of the Comprehensive Living Assurance Benefit sum assured.

No payments are made under this Benefit for the Optional Total Permanent Disablement *condition* or any of the *conditions* where a partial payment applies, except for the following *conditions*:

- > Angioplasty – less than 3 vessels.
- > Carcinoma-in-situ.

For these *conditions*, the Benefit payable is the lower of \$75,000 or 10% of the Comprehensive Living Assurance Benefit sum assured.

Before cover for a *child* can commence under the Children's Critical Conditions Benefit, *you* must advise us in writing of the *child's* name, date of birth and gender. Cover for a *child* will only commence once we have confirmation of the *child's* details in writing.

Pregnancy Complications Benefit

When is a Pregnancy Complications benefit payable?

This Benefit is payable if a *life assured* for the Comprehensive Living Assurance Benefit suffers for the first time and at least 12 months after the *risk commencement date* one of the defined pregnancy complication *conditions*.

Sovereign will not pay this benefit if the *life assured* suffers the *condition* or has any symptom or signs leading to the *condition* (whether or not a *registered medical practitioner* has been consulted) within 12 months after the *risk commencement date*.

What pregnancy complication conditions are covered?

- > Disseminated intravascular coagulation.
- > Eclampsia.
- > Hydatidiform mole.

See Section 23 for a full description of these *conditions*.

How much will Sovereign pay for the Pregnancy Complications Benefit?

The Benefit payable is \$10,000.

Payment of the Pregnancy Complications Benefit will not reduce the Comprehensive Living Assurance Benefit.

Children's Congenital Conditions Benefit

When is the Children's Congenital Conditions Benefit payable?

This Benefit is payable if at least 12 months after the *risk commencement date* a *child* of a *life assured* is unequivocally diagnosed by an appropriate *specialist* and undergoes treatment or therapy for one of the congenital conditions listed below.

What congenital conditions are covered?

- > Coarctation of the Aorta.
- > Infantile Hydrocephalus.
- > Anal atresia.
- > Oesophageal atresia.
- > Congenital diaphragmatic hernia.
- > Tracheo-oesophageal fistula.
- > Truncus arteriosus.
- > Retinopathy of prematurity.

How much will Sovereign pay for the Children's Congenital Conditions Benefit?

The Benefit payable is \$5,000, regardless of the number of congenital conditions diagnosed. Sovereign will pay a maximum of one claim for a *child* under the Children's Congenital Conditions Benefit across all policies for a *life assured* where AIA New Zealand Limited is the insurer. In cases where two policies each name a distinct parent of the *child* as a *life assured*, both policies are eligible to claim under the Children's Congenital Conditions Benefit for that *child*, provided the Optional Children's and Maternity Benefit is shown in *the schedule* of both policies.

Payment of the Children's Congenital Conditions Benefit will not reduce the Comprehensive Living Assurance Benefit.

When will Sovereign not pay a claim under the Optional Children's and Maternity Benefit?

Sovereign will not pay a benefit under the Optional Children's and Maternity Benefit that arises as a direct or indirect consequence of:

- > a *pre-existing condition*; or
- > any *congenital condition*, except where expressly covered under the Children's Congenital Conditions Benefit.

The Optional Children's and Maternity Benefit will cease if cover under the Comprehensive Living Assurance Benefit

ceases.

Where the *life assured* has the Optional Living Assurance Buyback Benefit, the Optional Children's and Maternity Benefit can be reinstated in addition to their Comprehensive Living Assurance Benefit, subject to the *life assured* satisfying the terms of the Optional Living Assurance Buyback Benefit.

The Optional Children's and Maternity Benefit ceases on the *child's* 21st birthday.

18. Optional Life Cover Buyback Benefit

The Life Cover Buyback Benefit is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Life Cover Buyback Benefit and if *you* have selected an accelerated Comprehensive Living Assurance Benefit.

Where an Optional Life Cover Buyback Benefit is selected, this allows the Life Cover Benefit to be reinstated without the need to provide further medical evidence following an accelerated Comprehensive Living Assurance Benefit claim, subject to the following conditions:

- > The Life Cover Benefit can be reinstated to the level applying immediately before the accelerated Comprehensive Living Assurance Benefit claim.
- > The *life assured* must have had a claim paid on their accelerated Comprehensive Living Assurance Benefit for one of the following *conditions* and have survived a period of six months after the claim payment date:
 - Paraplegia.
 - Quadriplegia.
 - Diplegia.
 - Hemiplegia.
 - Alzheimer's disease.
 - Permanent blindness.
 - Permanent loss of hearing.
 - Dementia.
 - Permanent loss of use of *limbs*.
 - Multiple sclerosis.
 - Idiopathic Parkinson's disease.
- > For all other *conditions* (including the Optional Total Permanent Disablement *condition*, where applicable), the *life assured* must have had a claim paid on their accelerated Comprehensive Living Assurance Benefit and have survived a period of 12 months after the claim payment date.
- > The Life Cover Benefit can be reinstated following a full payment claim or a partial payment claim.

- > Only one Life Cover Buyback reinstatement will apply per *life assured* per policy.
 - > The Life Cover Benefit must be reinstated within 60 days of the date that the Life Cover Benefit is first eligible to be reinstated.
 - > The maximum Life Cover Benefit that can be reinstated is 100% of the accelerated Comprehensive Living Assurance Benefit claim or \$2 million, whichever is the lesser.
 - > No Life Cover Buyback Benefit is available if the *life assured* has suffered a *claim event* under a Terminal Illness Benefit or a Specified Terminal Conditions Benefit under any *Sovereign policy*, whether or not a claim has been made.
 - > Any exercise of the Life Cover Buyback Benefit may require an increase in *premium*. This *premium* increase will be calculated on the rates applicable at the time the Life Cover Benefit is reinstated.
 - > Any accelerated benefits relating to the Life Cover Benefit for the *life assured* that have been reduced or removed as a result of an accelerated Comprehensive Living Assurance Benefit claim will not be reinstated.
- > A *life assured* can only exercise the Living Assurance Buyback Benefit for the cover provided under this policy once.

What is the maximum amount of cover that can be reinstated?

The maximum Comprehensive Living Assurance Benefit that can be reinstated is 100% of the Comprehensive Living Assurance Benefit claim payment or \$2 million, whichever is the lesser.

19. Optional Living Assurance Buyback Benefit

What is the Optional Living Assurance Buyback Benefit?

The Optional Living Assurance Buyback Benefit is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Living Assurance Buyback Benefit.

Where an Optional Living Assurance Buyback Benefit is selected, this allows the Comprehensive Living Assurance Benefit and where applicable, the Optional Early Cancer Upgrade Benefit and/or Optional Children's and Maternity Benefit to be reinstated without the need to provide further medical evidence following a Comprehensive Living Assurance Benefit claim, subject to the following conditions:

- > The *life assured* must have had a claim paid on their Comprehensive Living Assurance Benefit that has reduced the sum assured to a nil balance, and have survived a period of 12 months after the claim payment date.
- > The Benefit(s) must be reinstated within 60 days of the first anniversary of the Comprehensive Living Assurance Benefit claim payment.
- > Buyback of the Benefit(s) is not available following a Comprehensive Living Assurance claim for a *condition* listed in Section 1 which results in a partial payment.
- > No Living Assurance Buyback Benefit is available if the *life assured* has suffered a *claim event* under a Terminal Illness Benefit or a Specified Terminal Conditions Benefit under any *Sovereign policy*, whether or not a claim has been made.

What other conditions apply to cover reinstated through the Optional Living Assurance Buyback Benefit?

On Sovereign's acceptance of an application for reinstatement of the Comprehensive Living Assurance Benefit, and, where applicable, to the Optional Early Cancer Upgrade Benefit and/or Optional Children's and Maternity Benefit, you will be issued a new policy for the Benefit(s) and sum assured amount(s) being reinstated in which case:

- > The new policy will be issued based on the information provided at the time of buyback, together with the information provided in the original proposal;
- > The terms and conditions of the new policy will be those which are then offered by us to the general public, with the exception that no further reinstatements under an Optional Living Assurance Buyback Benefit will be available in respect of the reinstated Benefit(s).
- > The reinstated Benefit(s) may require an increase in *premium*. This *premium* increase will be calculated at the rates applicable at the time the Benefit(s) are reinstated. However, where the Benefit(s) are reinstated after a full Comprehensive Living Assurance Benefit claim has been paid for cancer, stroke or heart attack - a discount will be applied to the Living Assurance Benefit *premium*.
- > Any special terms, exclusions or *premium* loadings that applied to the original Benefit(s) will also apply to the reinstated Benefit(s) under the new policy.
- > If you had selected the Optional Total Permanent Disablement *condition* at the time of the first Living Assurance Benefit claim, this *condition* will be included under the reinstated Living Assurance Benefit, except where the Optional Total Permanent Disablement *condition* was the subject of the Living Assurance Benefit claim.
- > If you had selected the Optional Early Cancer Upgrade Benefit at the time of the first Comprehensive Living Assurance Benefit claim, this benefit can be reinstated alongside the original Comprehensive Living Assurance Benefit, except where you have previously received a claim payment under the Optional Early Cancer Upgrade Benefit.
- > If you had selected the Optional Children's and Maternity Benefit at the time of the first Comprehensive Living Assurance Benefit claim, this benefit can be reinstated alongside the original Comprehensive Living Assurance Benefit.

In the event of a claim in respect of the reinstated Comprehensive Living Assurance Benefit, no claim will be paid for:

- > Any *condition* for the subsequent claim that is a *related condition* to the *condition* which was the subject of the first Comprehensive Living Assurance Benefit claim, as determined by Sovereign.

- > The same *condition* for which Sovereign has paid a claim under a Comprehensive Living Assurance Benefit for the *life assured*, unless the original claim was for any of the *conditions* under the category of cancer, then the same *condition* shall include any cancer that is either:
 - of the same organ system as the original cancer;
 - considered by the treating oncologist as likely to be a secondary cancer of the original cancer; or
 - a related cancer.
- > Any heart (or heart-related) *condition* if the original claim was for a heart *condition* or a stroke, except where the claim in respect of the reinstated Comprehensive Living Assurance Benefit is for heart valve surgery or pulmonary hypertension, and these *conditions* have not previously been claimed for and are not considered by an appropriate *specialist* as likely to be secondary or directly resulting from the original *condition*.
 - > Stroke, or any *condition* directly resulting from a stroke, if the original claim was for a heart (or heart-related) *condition*, except where the original claim was for heart valve surgery or pulmonary hypertension.
 - > Any exclusion which applied to the original Comprehensive Living Assurance Benefit.

In the event of a claim in respect of the reinstated Optional Early Cancer Upgrade Benefit, no claim will be paid for:

- > The same cancer *condition* for which Sovereign has paid a claim under a Comprehensive Living Assurance Benefit for the *life assured*. The same cancer *condition* shall include any cancer that is either:
 - of the same organ system as the original cancer;
 - considered by the treating oncologist as likely to be a secondary cancer of the original cancer; or
 - a related cancer.

In the event of a claim in respect of the reinstated Optional Children's and Maternity Benefit, no claim will be paid for:

- > The Children's Critical Conditions Benefit where you have already received a claim payment for the same *child* under the original Children's Critical Conditions Benefit;
- > The Children's Congenital Conditions Benefit where you have already received a claim payment for the same *child* under the original Children's Congenital Conditions Benefit; or
- > Any exclusion which applied to the original Optional Children's and Maternity Benefit.

20. Exclusions – when Sovereign won't pay a benefit

Sovereign will not pay any benefit described in this *appendix* where any of the following (and in each case either directly or indirectly) causes or contributes to the claim:

- > The *life assured* (or the *child* in the case of a Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit) deliberately injures himself or herself or attempts to do so.
- > The *life assured* (or the *child* in the case of a Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit) engages in or is part of any conduct that is criminal.
- > Any *condition* or any symptom or signs leading to the *condition* (whether or not a *registered medical practitioner* has been consulted) that existed before the *risk commencement date*, unless Sovereign is satisfied that *you* or the *life assured* could not have known of the existence of the *condition* or symptom or signs leading to the *condition*, or the *condition* or symptom or signs leading to the *condition* were declared on *your* application and accepted by Sovereign.

Sovereign will not pay any benefit described in this *appendix* where any of the following occurs before a *life assured* (or any *child* in the case of a Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit) reaches age 21, and (in each case either directly or indirectly) causes or contributes to a claim for that *life assured* (or *child*):

- > any intentional act by *you* or by any parent or guardian of the *life assured*, or *child*.
- > any intentional act by someone who lives with or supervises the *life assured*, or *child*.

Sovereign will not pay a benefit under the Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit that arises as a direct or indirect consequence of:

- > a *pre-existing condition*; or
- > any *congenital condition*, except where expressly covered under the Children's Congenital Conditions Benefit.

These exclusions apply to any subsequent benefit increase *you* make.

21. How to make a claim

To make a claim, refer to the section in *your* TotalCareMax policy entitled 'How to make a claim'.

In addition, for a Comprehensive Living Assurance Benefit claim, Sovereign will require information acceptable to us, including medical evidence and reports, showing proof of the *condition* giving rise to the claim.

Sovereign may require the *life assured* or his or her *child* (if applicable) to have an examination by a *registered medical*

practitioner appointed by Sovereign before accepting liability for a claim.

Where the Optional Total Permanent Disablement *condition* is the *condition* giving rise to the claim, Sovereign will also require:

- > A Sovereign claims form completed by the *life assured* and a *registered medical practitioner* (at *your* expense).
- > Other information which Sovereign may reasonably request to help assess the claim, which may include evidence of earnings, taxable income, business accounts, Accident Compensation Corporation details or similar.
- > The *life assured* to undergo medical and/or surgical treatment (including any operation or vocational, medical and/or social rehabilitation programme) at *your* expense which the *life assured's* *registered medical practitioner*, or a *registered medical practitioner* approved by Sovereign, considers necessary.
- > Any other information that Sovereign may deem relevant to the assessment of the claim.

For advice about submitting a claim <i>you</i> can phone Sovereign on 0800 500 108 or <i>your</i> Adviser. Find claim information online at sovereign.co.nz
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22. Definitions of medical conditions

Cancer

The *life assured* has suffered or undergone one of the following *conditions*:

Carcinoma-in-situ

A focal autonomous new growth of carcinomatous cells which has not yet resulted in the invasion of normal tissues. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane.

This benefit only covers carcinoma-in-situ of the following sites:

- > Breast.
- > Cervix.
- > Vagina.
- > Vulva.

The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as TIS according to the TNM staging method or FIGO Stage 0.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*.

Carcinoma-in-situ radical surgery

As a result of a carcinoma-in-situ, an operation to arrest spread of the malignancy is performed which involves the removal of the entire organ (which includes: breast, cervix, ovary, fallopian tube, vagina, vulva, prostate, colon/rectal, bladder) affected, or the organ requires systemic chemotherapy, radiotherapy, or immunotherapy, and that treatment is considered *medically necessary* by an appropriate *specialist*.

The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as TIS according to the TNM staging method or FIGO Stage 0.

Malignant tumours and blood cancers

The presence of one or more malignant tumours, characterised by uncontrolled growth and spread of malignant cells, with the invasion and destruction of normal tissue for which *major interventional treatment* or surgery is considered *medically necessary* by an appropriate *specialist*.

The following tumours are excluded:

- > Tumours classified as carcinoma-in-situ (including intra-epithelial neoplasia).
- > Prostate tumours with a Gleason score of less than 6. (If the Gleason score is unavailable, we will use the TNM classification and tumours classified as T1 or its

equivalent will be excluded).

- > All malignant melanomas unless they:
 - are at least 1.0mm in maximum thickness as determined by histological examination using the Breslow thickness histological classification; or
 - are graded higher than Clark level 2 depth of invasion; or
 - show evidence of ulceration as determined by histological examination.
- > Skin cancers unless they have spread to other organs.
- > Chronic lymphocytic leukaemia less than RAI Stage 1.

Prostate Cancer

As a result of a prostate tumour, the entire prostate is removed to arrest spread of the malignancy and this is considered *medically necessary* by an appropriate *specialist*.

The benefit also covers malignant tumour of the prostate histologically described as T1 or Gleason score of 5 or less for which treatment is considered *medically necessary*, and undertaken by an appropriate *specialist* to arrest the spread of malignancy including but not limited to chemotherapy, radiotherapy, or surgery.

Heart

The *life assured* has suffered or undergone one of the following *conditions*:

Angioplasty – less than 3 vessels

The actual undergoing of coronary artery angioplasty with or without a stent, laser or atherectomy, considered *medically necessary* by an appropriate *specialist* cardiologist, to correct a narrowing or blockage of one or two coronary arteries during the same procedure.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured* per claim. For each *life assured* you can make more than one claim for this *condition* as long as the subsequent claim for this *condition* is not in respect of the same coronary artery or arteries as any previous claim for this *condition*.

Angioplasty – 3 vessels or more

The actual undergoing of coronary artery angioplasty to correct a narrowing or blockage of at least three coronary arteries within a period of 60 days that is considered *medically necessary* on the basis of angiographic evidence, indicating obstruction of at least three coronary arteries.

Repeat procedures to the same coronary artery are not covered.

Aortic surgery

Medically necessary surgery to correct or repair:

- > an aortic aneurysm;
- > an obstruction of the aorta;
- > a coarctation of the aorta;
- > a traumatic rupture of the aorta; or
- > an aortic dissection.

For the purpose of this definition aorta shall mean the thoracic and abdominal aorta.

Cardiac Defibrillator Insertion

The permanent insertion of an automatic implantable defibrillator after the occurrence of ventricular tachycardia or ventricular fibrillation.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal policies for the *life assured* where AIA New Zealand Limited is the insurer.

The benefit is not payable if the *life assured* satisfies the criteria for a claim payment under another heart condition across all Personal policies where AIA New Zealand Limited is the insurer.

Cardiomyopathy

Impaired ventricular function of variable aetiology due to primary disease of the heart muscle, resulting in permanent and irreversible physical impairments to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment.

Coronary artery bypass surgery

Medically necessary surgery to correct the narrowing of, or blockage to, one or more coronary arteries by means of a bypass graft.

Heart attack

The death of a portion of the heart muscle (myocardium) as a result of inadequate blood supply to the relevant area, confirmed by a cardiologist or general physician and evidenced by:

Typical rise and/or fall of cardiac biomarkers with at least one value above the 99th percentile of the upper reference limit and at least one of the following:

- a. Signs and symptoms of ischaemia which are consistent with myocardial infarction; or
- b. Confirmatory new (or presumed new) ECG changes associated with myocardial infarction with the development of any one of the following:
 - ST changes;
 - T wave inversion;

- Left bundle branch block (LBBB);
- Pathological Q waves; or

- c. Imaging evidence of new loss of viable myocardium or new regional wall motion abnormality.

A rise in cardiac biomarkers resulting from a percutaneous procedure for coronary artery disease is excluded unless the baseline value is normal and the elevation is greater than 5 times the 99th percentile of the upper reference limit.

If the above evidence is inconclusive or superseded by technological advances, we will consider other appropriate and medically recognised tests that unequivocally diagnose that a myocardial infarction of the degree of severity or greater as outlined above has occurred.

Other acute coronary syndromes including but not limited to angina pectoris are excluded.

Heart valve surgery

Full payment

The undergoing of heart valve surgery performed to replace or repair one or more heart valves that cannot be repaired by intra-arterial procedures.

Partial payment

The undergoing of a heart valve replacement or repair.

Heart Valve Replacement means the actual undergoing of thoracoscopic, laparoscopic, valvotomy, catheter or minimally invasive surgery to treat or repair a cardiac valve as a consequence of heart valve defects or abnormalities. Each surgery to treat or repair the cardiac valve must occur at least six months after the previous cardiac surgery. Investigative or diagnostic procedures are specifically excluded.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*.

Out-of-hospital cardiac arrest

Cardiac arrest not associated with any medical procedure and that is documented by an electrocardiogram and occurs out of hospital, and is due to:

- > cardiac asystole; or
- > ventricular fibrillation with or without ventricular tachycardia.

Pacemaker Insertion

The permanent insertion of an artificial pacemaker to correct an abnormal rhythm of the heart.

The abnormal rhythm of the heart must have been documented on electrocardiograph (ECG) and be available to us.

The benefit payable is 25% of the sum assured to a maximum of \$10,000 across all Personal policies for the *life assured* where AIA New Zealand Limited is the insurer.

The benefit is not payable if the *life assured* satisfies the criteria for a claim payment under another heart condition across all Personal policies where AIA New Zealand Limited is the insurer.

Pulmonary hypertension

Primary pulmonary hypertension with substantial right ventricular enlargement established by investigations including cardiac catheterisation.

Major neurological disease

The *life assured* has suffered or undergone one of the following *conditions*:

Alzheimer's disease

The unequivocal diagnosis of Alzheimer's disease, which must confirm permanent irreversible failure of brain function. The diagnosis is confirmed by an appropriate *specialist* in psychogeriatrics, psychiatry, neurology or geriatrics.

Benign brain or spinal cord tumour

Full payment

A benign tumour of the brain or spinal cord which:

- a. results in neurological or spinal (as appropriate) damage and functional impairment which an appropriate *specialist* deems to be permanent; or
- b. is deemed appropriate and *medically necessary* to be:
 - treated using *major interventional treatment* necessary for the therapeutic management of the tumour; or
 - removed through surgery (whether it is able to be removed or not).

The presence of the underlying tumour must be confirmed by imaging studies such as a CT or MRI scan.

Excluded are:

- > cysts, granulomas and malformations in or of the arteries or veins of the brain, or haematomas; and
- > pituitary gland tumours, unless in the opinion of an appropriate *specialist* an open craniotomy to remove it is *medically*

necessary.

Neurological or spinal damage and functional impairment include but are not limited to: intracranial pressure such as papilledema, mental symptoms, seizures, sensory impairment, memory loss, impaired speech, vision loss and paralysis on one side of the body.

Partial payment

Unequivocal diagnosis of a benign intracranial or spinal cord tumour by an appropriate *specialist*.

Excluded are cysts, granulomas and malformations in or of the arteries or veins of the brain, haematomas and tumours on the pituitary gland.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*.

Cerebral Aneurysm

A cerebral aneurysm of any size where the intracranial aneurysm is confirmed by an appropriate *specialist* and has been treated surgically via clipping or endovascular surgery.

This requires evidence of:

- acute onset of new objective neurological signs and symptoms; and
- evidenced by neuro-imaging changes consistent with the signs and symptoms.

Only one claim can be made for this partial payment per *life assured* for the duration of this policy, regardless of the number of cerebral aneurysms suffered.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal policies for the *life assured* where AIA New Zealand Limited is the insurer.

Coma

A definite diagnosis of a state of unconsciousness resulting in the following for at least 72 hours:

- > a documented Glasgow Coma Score of 7 or less; and
- > the use of a life-support system.

Coma arising from drug and alcohol abuse is specifically excluded.

Creutzfeldt-Jakob disease

The diagnosis of Creutzfeldt-Jakob disease confirmed by an appropriate *specialist* neurologist. The *life assured* must exhibit signs and symptoms of cerebellar dysfunction, severe progressive dementia, uncontrolled muscle spasm, tremor and athetosis, resulting in the *life assured* requiring permanent and continual medical supervision.

Dementia

Full payment

The unequivocal diagnosis of dementia. The diagnosis must confirm permanent irreversible failure of brain function and result in significant cognitive impairment for which no other cause has been identified. Significant cognitive impairment means a deterioration or loss of intellectual capacity that results in a requirement for continual supervision to protect the *life assured* or others. The diagnosis is confirmed by an appropriate *specialist* in psychogeriatrics, psychiatry, neurology or geriatrics.

Partial payment

The unequivocal diagnosis of dementia. The diagnosis must confirm permanent irreversible failure of brain function. The diagnosis is confirmed by an appropriate *specialist* in psychogeriatric, psychiatry, neurology or geriatrics.

The benefit payable is:

- > 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured* if the unequivocal diagnosis occurs before the *life assured* is 60 years of age; or
- > 25% of the sum assured to a maximum of \$10,000 across all Personal *Sovereign policies* for the *life assured* if the unequivocal diagnosis occurs after the *life assured* is over 60 years of age.

Encephalitis

Full payment

The unequivocal diagnosis of severe inflammatory disease of the brain diagnosed by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*.

Partial payment

The unequivocal diagnosis of severe inflammatory disease of the brain diagnosed by an appropriate *specialist* approved by Sovereign.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*.

Idiopathic Parkinson's disease

The unequivocal diagnosis of Idiopathic Parkinson's disease as confirmed by an appropriate *specialist*.

Major head trauma

An accidental cerebral injury diagnosed by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*. Major head trauma arising from drug and alcohol abuse is specifically excluded.

Meningitis

The diagnosis of meningitis by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*.

Motor neurone disease

The unequivocal diagnosis of motor neurone disease diagnosed by an appropriate *specialist* approved by Sovereign.

Multiple sclerosis

The unequivocal diagnosis of multiple sclerosis as confirmed by an appropriate medical *specialist*.

Multiple sclerosis means a disease characterised by demyelination in the brain and/or spinal cord.

There must be more than one episode of well-defined neurological deficit with persisting neurological abnormalities.

Neurological investigations such as lumbar puncture, MRI (Magnetic Resonance Imaging) evidence of lesions in the central nervous system, evoked visual responses, and evoked auditory responses are required to confirm diagnosis.

Muscular dystrophy

The unequivocal diagnosis of muscular dystrophy diagnosed by an appropriate medical *specialist* approved by Sovereign.

Peripheral neuropathy

Irreversible inflammation or degradation of a peripheral nerve, diagnosed by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*.

Stroke

A cerebrovascular event producing neurological deficit. This requires clear evidence on CT, MRI (Magnetic Resonance Imaging) or similar appropriate scan or investigation that a stroke has occurred. This requires evidence of:

- > infarction of brain tissue; or
- > intracranial or subarachnoid haemorrhage.

Excluded from this definition are transient ischaemic attacks (TIA), cerebral symptoms due to migraine, cerebral injury from trauma or hypoxia and vascular disease affecting the eye, optic nerve or vestibular functions.

Paralysis and loss of functionality

The *life assured* has suffered or undergone one of the following *conditions*:

Diplegia

Total and permanent loss of function of both arms or both legs due to injury or disease of the spinal cord.

Hemiplegia

Total and permanent loss of function of one side of the body due to brain injury or disease.

Loss of independent existence

The *life assured* is totally and irreversibly disabled, with the effect that he or she is unable, as a result of sickness or injury, to perform without the physical assistance of someone else at least two of the following activities for himself or herself (if the *life assured* can perform the activity on his or her own by using special equipment Sovereign will treat the *life assured* as being able to perform that activity):

- > Bathing and showering.
- > Dressing and undressing.
- > Eating and drinking.
- > Using a toilet.
- > Moving from place to place by walking, in a wheelchair, or with a walking aid.

Alternatively, the *life assured* is unable to perform one of the above and his or her intellectual capacity has reduced or deteriorated to such an extent that the *life assured* requires *full-time care*.

Paraplegia

Total and permanent loss of function of both legs due to injury or disease of the spinal cord.

Permanent blindness

Full payment

Irrecoverable loss of sight of both eyes as a result of sickness or injury. This is evidenced by:

- > visual acuity on the Snellan Scale after correction by suitable lenses is less than 6/60 in both eyes;
- > field of vision is reduced to 20 degrees or less of arc in the better eye; or
- > a combination of visual defects resulting in the same degree of visual impairment as either of the points above.

Partial payment

Irrecoverable loss of sight in one eye as a result of sickness or injury. This is evidenced by:

- > visual acuity on the Snellan Scale after correction by suitable lenses is less than 6/60 in that eye;
- > field of vision is reduced to 20 degrees or less of arc; or
- > a combination of visual defects resulting in the same degree of visual impairment as either of the points above.

The benefit payable is 25% of the sum assured to a maximum of \$100,000 across all Personal *Sovereign policies* for the *life assured*. Only one claim can be made for this partial payment per *life assured*.

Permanent loss of hearing

Full payment

The *life assured*, as a result of sickness or injury suffers severe hearing impairment in both ears, whether aided or unaided, resulting in an average hearing threshold in both ears of 91db or greater as measured at 500, 1000 and 1500 Hz. The loss of hearing must be total and permanent.

Partial payment

The *life assured*, as a result of sickness or injury suffers severe hearing impairment in one ear, whether aided or unaided, resulting in an average hearing threshold in one ear of 91db or greater as measured at 500, 1000 and 1500 Hz. The loss of hearing must be total and permanent.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*. Only one claim can be made for this partial payment per *life assured*.

Permanent loss of speech

The *life assured*, as a result of sickness or injury suffers total and irreversible loss of speech. This loss must be established and the unequivocal diagnosis reaffirmed after a continuous period of three months of such loss by an appropriate *specialist*.

Permanent loss of use of limbs

Full payment

The *life assured*, as a result of sickness or injury, permanently loses the use of:

- > both hands; or
- > both feet; or
- > one hand and one foot; or
- > one hand and the sight of one eye (to the extent of 6/60 or less); or
- > one foot and the sight of one eye (to the extent of 6/60 or less).

Partial payment

The *life assured*, as a result of sickness or injury, permanently loses the entire use of one *limb*.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*. Only one claim can be made for this partial payment per *life assured*.

Quadriplegia/Tetraplegia

Total and permanent loss of function of both upper and lower *limbs* due to injury or disease of the spinal cord.

Total Permanent Disablement (Optional condition)

A *life assured* has suffered Total Permanent Disablement if the *life assured* before attaining age 65:

- A. in Sovereign's opinion becomes totally incapacitated by illness or *accident* and, as a result of that incapacity:
- > is completely unable to engage in the occupation,

or carry on the business, he or she was involved in immediately before becoming incapacitated; and

- > for the three consecutive months after that incapacity began, has not *worked* in that occupation or carried on that business; and
- > is, in Sovereign's opinion, after consideration of the medical and any other evidence satisfactory to Sovereign, so incapacitated that it is unlikely he or she will ever be able to resume *work* in that occupation or carry on in that business; or

B. in Sovereign's opinion suffers by illness or *accident* the total and permanent loss of meaningful use of:

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

C. is constantly and permanently unable to perform at least two of the following activities without the physical assistance of someone else (if the *life assured* can perform the activity on his or her own by using special equipment Sovereign will treat the *life assured* as being able to perform that activity):

- > Bathing and showering,
- > Dressing and undressing,
- > Eating and drinking,
- > Using a toilet,
- > Moving from place to place by walking, in a wheelchair, or with a walking aid.

Alternatively, the *life assured* has suffered Total Permanent Disablement if he or she is unable to perform one of the above activities and his or her intellectual capacity has reduced or deteriorated to such an extent that the *life assured* requires permanent and constant supervision.

If the *life assured* commences full-time domestic duties, the definition of the Optional Total Permanent Disablement *condition* will change by replacing paragraph A above with:

"A. in Sovereign's opinion becomes totally incapacitated by illness or *accident* and, as a result of that incapacity:

- > For three consecutive months after that incapacity began, has not *worked* in any occupation or carried on any business or engaged in any other *gainful employment*; and
- > Following that three consecutive months is, in the opinion of Sovereign, after consideration of the

medical and any other evidence satisfactory to Sovereign, so incapacitated that it is unlikely he or she will ever be able to *work* in any occupation or engage in any other *gainful employment* for which he or she may be reasonably suited by education, training or experience, which would pay remuneration at a rate greater than 25% of the *life assured's* earnings during his or her last 12 consecutive months of *work*.”

Sovereign will at its discretion waive the three month waiting period when assessing Total Permanent Disablement if:

- > in Sovereign's opinion, the *life assured* has met all other requirements for payment under the Total Permanent Disablement *condition*; and
- > Sovereign expects the *life assured* to survive beyond three months after the incapacity began.

In exercising this discretion, Sovereign will consider whether the medical *condition* of the *life assured* enables an assessment to be made immediately in respect of whether the *life assured* has met all other requirements of the Total Permanent Disablement *condition*.

Sovereign will not waive the three month waiting period if, in our opinion, after considering suitable medical evidence, we believe that the *life assured* may die within three months after the incapacity began. A decision not to waive the three month waiting period will not affect our consideration of a claim under the Total Permanent Disablement *condition* if the *life assured* survives for three months after the incapacity began.

Any *condition* that Sovereign has reasonable grounds to expect can be reversed or improved by surgery or other treatment will not be considered as having met this Total Permanent Disablement *condition*.

Sovereign will not pay a benefit under the Total Permanent Disablement *condition* if the *life assured* dies within three months of the date that the *life assured* became incapacitated.

Other key conditions

The *life assured* has suffered or undergone one of the following *conditions*:

Advanced Acquired Immunodeficiency Syndrome (AIDS)

The *life assured* has been unequivocally diagnosed by an appropriate *specialist* with Advanced Acquired Immunodeficiency Syndrome in the clinical setting, evidenced by the presence of HIV infection with a persistent CD4 cell count of less than 200/ul despite appropriate continuous antiretroviral therapy.

There must be an associated AIDS defining illness with AIDS resulting in at least one of the following:

- > Kaposi's Sarcoma or Lymphoma.
- > Pneumocystis Carinii infection, cryptococcal infection or any other opportunistic infection of the lungs or nervous

system

- > Tuberculosis or other mycobacterium infection at any site.
- > Progressive multifocal leukoencephalopathy.
- > HIV Encephalopathy.
- > HIV wasting syndrome characterised by more than 10% weight loss, chronic intractable diarrhoea and chronic candidiasis of the respiratory tract or gastrointestinal tract.

Advanced diabetes

The *life assured*:

1. has been unequivocally first ever diagnosed as suffering from insulin dependent diabetes mellitus Type 1 after the age of 30 by an appropriate medical *specialist*; or
2. suffers severe diabetes mellitus, either insulin or non-insulin dependent, as certified by a consultant endocrinologist and resulting in at least one of the following:
 - > Severe diabetic retinopathy resulting in visual acuity uncorrected and corrected of 6/36 or worse in both eyes;
 - > Severe diabetic neuropathy causing motor and/or autonomic impairment;
 - > Diabetic gangrene leading to surgical intervention; or
 - > Severe diabetic nephropathy causing chronic irreversible stage 4 renal impairment.

Aplastic anaemia

The *life assured* has suffered the first occurrence of bone marrow failure which results in anaemia, neutropenia and thrombocytopenia, requiring treatment over a period of at least two months with at least one of the following:

- > Blood product transfusion;
- > Marrow stimulating agents;
- > Immunosuppressive agents;
- > Bone marrow transplantation; or
- > Haemopoietic stem cell transplantation.

Chronic liver failure

Full payment

The *life assured* suffers an unequivocal diagnosis of end-stage liver failure confirmed by an appropriate registered medical *specialist* and evidenced by one of the following conditions:

- > permanent jaundice;
- > ascites; or
- > encephalopathy.

Partial payment

The unequivocal diagnosis of irreversible chronic liver failure by an appropriate medical *specialist*.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*.

Chronic lung disease

The *life assured* has irreversible chronic lung disease as confirmed by an appropriate medical *specialist* on the basis of respiratory function tests and which satisfies any one of the following criteria:

- > Type 1 respiratory failure defined as O₂ <60mm hg; or
- > Type 2 respiratory failure defined as CO₂ >45 mm hg; or
- > the provision of home oxygen therapy according to clinical practice guidelines for hypoxia O₂ <55 mm hg (or 60 mm hg in the presence of pulmonary hypertension); or
- > FEV₁ <35% predicted; or
- > DLCO (diffusing capacity or gas transfer) < 40% predicted; or
- > is unable to perform at least one of the *activities of daily living* as a result of the respiratory failure.

Chronic renal failure

The kidneys of the *life assured* have reached the end-stage of renal disease resulting in chronic irreversible failure of the kidneys to function, as a result of which regular renal dialysis is instituted or transplantation performed.

Cognitive impairment

A permanent and irreversible loss of cognitive function that requires the *life assured* to be under continual care and supervision by an *appropriate carer* for at least 8 hours per day, as certified by an appropriate *specialist*.

HIV

Infection with the Human Immunodeficiency Virus (HIV) must have been acquired by *accident* or violence during the course of the *life assured's* normal occupation or through the medium of a blood transfusion, transfusion of blood products, organ transplant, assisted reproduction technique or other medical procedure or operation performed by a registered healthcare professional and/or in a registered hospital care institution, or surgical centre or surgical clinic. *You* must prove this to our satisfaction. Sero-conversion to the HIV infection must occur within six months of the *accident*. HIV infection transmitted by any other means, including but not limited to sexual activity or non-medical intravenous drug use, is not covered under this *appendix*.

Any incident giving rise to a potential claim must be reported

to us within 30 days of the incident and be supported by a negative HIV Antibody Test taken within seven days after the incident. Sovereign may decline *your* claim if we are not given access to independently test all blood samples used, if we require, or if the *life assured* does not allow Sovereign to take further independent blood tests.

Intensive care benefit

Full payment

A state of unconsciousness with no reaction to stimuli or internal needs, persisting continuously for at least 96 hours, requiring assisted ventilation (including the use of endo-tracheal intubation and/or tracheostomy) in the intensive care unit of a hospital.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*. Unconsciousness caused by drug and alcohol abuse is specifically excluded.

Partial payment

A state of unconsciousness with no reaction to stimuli or internal needs, persisting continuously for at least seven days, requiring assisted ventilation (including the use of endo-tracheal intubation and/or tracheostomy) in the intensive care unit of a hospital.

Unconsciousness caused by drug and alcohol abuse is specifically excluded.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*.

Major transplant surgery

The *life assured* has undergone, or been placed on the major organ transplant waiting list in New Zealand or Australia for, a transplant from a human donor of one or more of the following organs or substances:

- > Kidney;
- > Heart;
- > Lung;
- > Liver;
- > Pancreas;
- > Bone marrow; or
- > Intestine.

The transplant of all other organs or parts of any organ or of any other tissue or stem cell transplant is excluded.

The transplant must be considered *medically necessary* and the condition affecting the organ deemed untreatable by any means other than organ transplant, as confirmed by an appropriate medical *specialist*.

Pneumonectomy

The *life assured* has undergone surgery to remove an entire lung. The treatment must be considered *medically necessary* by an appropriate medical *specialist*.

Severe burns

Full payment

The *life assured* has suffered severe tissue injury caused by thermal, electrical or chemical agents. As a result, the *life assured* has full thickness or third-degree burns to:

- > at least 20% of the body surface area (as measured by age-appropriate use of The Rule of 9 or the Lund and Browder Body Surface Chart); or
- > 50% of both hands, requiring surgical debridement and/or grafting; or
- > 25% of the face, requiring surgical debridement and/or grafting.

Partial payment

The *life assured* has suffered severe tissue injury caused by thermal, electrical or chemical agents. As a result, the *life assured* has full thickness or third-degree burns to:

- > both hands, requiring surgical debridement and grafting; or
- > the face, requiring surgical debridement and grafting.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*.

Severe Crohn's disease

A *life assured* has been unequivocally diagnosed with Crohn's disease that requires permanent immunosuppressive medication or as a result of the diagnosis has undergone a surgical procedure to remove the entire large bowel.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all Personal *Sovereign policies* for the *life assured*.

Severe illness or injury

If the *life assured* suffers a medical condition that does not satisfy any *condition* leading to either a full or partial claim under this policy and it is deemed *medically necessary* to:

- > undergo *major invasive surgery*; or
- > be treated using *major interventional treatment*;

which results in:

- > a stay in an intensive care unit for a period greater than 48 continuous hours; or
- > a stay in a *high dependency unit* for a period greater than 96 continuous hours;

and the *life assured* is unable to perform at least one *basic activity of daily living* for a continuous period of 90 days from first being admitted into the intensive care unit or *high dependency unit* (as applicable) as certified by an appropriate medical *specialist*.

A medical condition arising from alcohol or drug abuse or other self-inflicted means is specifically excluded.

This Benefit does not apply to any *condition* specifically excluded in this policy or where an underwriting exclusion has been applied.

Severe osteoporosis

- > The *life assured* has been unequivocally diagnosed by an appropriate *specialist* as suffering from severe osteoporosis. The diagnosis must confirm that the *life assured* suffers at least two vertebral body fractures or a fracture of the neck of the femur, due to osteoporosis; and
- > has a bone mineral density reading with a T-score of less than -2.5 (i.e. 2.5 standard deviations below the young adult mean for bone density). This must be measured in at least two sites by dual energy x-ray absorptiometry (DEXA).

No benefit is payable in cases where there are spontaneous fractures or minimal traumas that are due to an *accident* but where coincidental osteoporosis exists.

The benefit payable is:

- > 25% of the sum assured up to a maximum of \$75,000 across all *Personal Sovereign policies* for the *life assured* if the unequivocal diagnosis occurs before the *life assured* is 50 years of age; or
- > 25% of the sum assured up to a maximum of \$10,000 across all *Personal Sovereign policies* for the *life assured* if the unequivocal diagnosis occurs after the *life assured* is over 50 years of age.

Severe rheumatoid arthritis

The *life assured* has been unequivocally diagnosed by an appropriate *specialist* as suffering from severe rheumatoid arthritis for at least six weeks, which affects at least three or more of the following joints:

- > Metacarpophalangeal joints in the hands;
- > Proximal interphalangeal joints in the hands;
- > Metatarsophalangeal joints in the wrist, elbow, foot, knee, or ankle.

The diagnosis must be supported by a positive rheumatoid serology or other appropriate diagnostic test evidencing rheumatoid arthritis, together with evidence confirming at least three of the following criteria:

- > Simultaneous bilateral and symmetrical joint soft tissue swelling or fluid;

- > Joint deformity typical of rheumatoid arthritis;
- > Rheumatoid nodules beneath the skin;
- > X-ray imaging showing erosion to joints typical of rheumatoid arthritis.

Degenerative osteoarthritis and all other arthritides are excluded.

The benefit payable is:

- > 25% of the sum assured up to a maximum of \$75,000 across all *Personal Sovereign policies* for the *life assured* if the unequivocal diagnosis occurs before the *life assured* is 50 years of age; or
- > 25% of the sum assured up to a maximum of \$10,000 across all *Personal Sovereign policies* for the *life assured* if the unequivocal diagnosis occurs after the *life assured* is over 50 years of age.

Severe ulcerative colitis

A *life assured* has been unequivocally diagnosed by an appropriate *specialist* with ulcerative colitis that requires permanent immunosuppressive medication or as a result of the diagnosis has undergone a surgical procedure to remove the entire large bowel.

The benefit payable is 25% of the sum assured to a maximum of \$75,000 across all *Personal Sovereign policies* for the *life assured*.

Systemic Lupus Erythematosus with lupus nephritis

The *life assured* has been unequivocally diagnosed by a relevant medical *specialist* with systemic lupus erythematosus with lupus nephritis in the clinical setting, evidenced by the presence of any four or more of the following twelve criteria:

- > **Malar rash:** Fixed erythema, flat or raised, over the malar eminences, tending to spare the nasolabial folds.
- > **Discoid rash:** Erythematosus, raised patches with adherent kerotic scaling and follicular plugging, atrophic scarring may occur in older lesions.
- > **Photosensitivity:** Skin rash as a result of unusual reaction to sunlight, evidenced by patient history or *specialist's* report.
- > **Oral ulcers:** Oral or nasopharyngeal ulceration reported by physician.
- > **Arthritis:** Non-erosive arthritis involving two or more peripheral joints, characterised by tenderness, swelling, or effusion.
- > **Serositis:** Pleuritis - convincing history of pleuritic pain or pleuritic rub heard by a physician or evidence of pleural effusion; or pericarditis - documented by ECG or rub or evidence of pericardial effusion.
- > **Renal disorder:** Persistent proteinuria greater than 0.5 grams per day; or greater than 2+ if quantitation

not performed; or tubular casts - may be red cell, haemoglobin, granular, cellular or mixed.

- > **Neurological disorder:** Seizures - in the absence of offending drugs or known metabolic derangements, e.g. uraemia, ketoacidosis; or electrolyte imbalance.
- > **Hematologic disorder:** Hemolytic anaemia - with reticulocytosis; or leucopenia - less than 3,500/mm³ on 2 or more occasions; or thrombocytopenia - less than 100,000/mm³ in the absence of offending drugs.
- > **Immunologic disorder:** Positive LE cell preparation; or anti-DNA: antibody to native DNA in abnormal titre; or anti-Sm: presence of antibody to Sm (Smooth Muscle) nuclear antigen; or false positive serologic test for syphilis known to be positive for at least 6 months and confirmed by Treponema pallidum immobilisation or fluorescent treponemal antibody absorption test.
- > **Antinuclear antibody:** An abnormal titre of antinuclear antibody by immunofluorescence or an equivalent assay at any point in time and in the absence of drugs known to be associated with 'drug-induced lupus' syndrome.
- > **Alopecia:** Diffuse thinning and fragility of the hair in the absence of other causes (such as alopecia areata, drugs, iron deficiency and androgenic alopecia).

In addition to the diagnosis of systemic lupus erythematosus, lupus nephritis must be confirmed by renal changes as measured by a renal biopsy that it is grade 3 to 5 of the WHO (World Health Organisation) classification of lupus nephritis and be associated with persisting proteinuria (more than 2+).

Systemic Sclerosis

The *life assured* has been unequivocally diagnosed by a relevant medical *specialist* with systemic sclerosis, causing the *life assured* to be totally and irreversibly unable to perform any one of the *activities of daily living* without assistance of another adult person.

Terminal illness

The *life assured* has been diagnosed as having an illness where in Sovereign's opinion despite all reasonable medical treatment they are expected to live for no more than 12 months. The *registered medical practitioner* treating the illness must provide supporting evidence of the illness, possible medical treatment, the prognosis and confirm that the definition of Terminal Illness has been met.

The claim payment will be paid if the *life assured* is alive 14 days following the medical certification.

The Terminal Illness benefit will be treated as an early payment of the Comprehensive Living Assurance Benefit. The Comprehensive Living Assurance Benefit will then be reduced by any amount paid by the Terminal Illness benefit.

This Benefit is only available if the words standalone Comprehensive Living Assurance Benefit appears in *the schedule*.

Death of the *life assured* as a result of *accident* is not covered under the Terminal Illness Benefit.

23. Definitions of conditions for the Built-in Newborn Children's Benefit and the Optional Children's and Maternity Benefit

Built-in Newborn Children's Benefit conditions

Cleft palate

A fissure of the palate at birth associated with possible separation of the lip extending into the nose. Clefts can occur on one or both sides of the upper lip.

The benefit will only be paid for those cases with cleft palate, or cleft lip and palate. No benefit is payable for cleft lip alone.

Down's syndrome

A genetic disorder caused by trisomy of chromosome 21. Diagnosis must be confirmed through a confirmatory blood test evidencing the disorder.

Spina bifida

Congenital defective closure of the bone encasement of the Spinal cord through which the cord and meninges may or may not protrude.

Only Spina Bifida associated with a meningeal cyst (meningocele) or a cyst containing both meninges and spinal cord (meningomyelocele) or only spinal cord (myelocele) shall be covered.

Total blindness

Visual impairment in both eyes (whether aided or unaided and whether reversible or irreversible) evidenced by:

- > visual acuity of 6/36 or less in both eyes;
- > field of vision reduced to 10 degrees or less of arc in the better eye;
- > a combination of visual defects resulting in the same degree of visual impairment as either of the points above; or
- > other evidence from a *registered medical practitioner* or *specialist* acceptable to Sovereign that confirms that the above requirements are likely to be satisfied.

Tetralogy of Fallot

A congenital anatomical abnormality of the heart with severe or total right ventricular outflow tract obstruction and a ventricular septal defect. The diagnosis must be confirmed by an appropriate *specialist* and supported by an echocardiogram and must require surgical repair.

Transposition of Great Vessels

The complete transposition of the aorta and pulmonary artery. The diagnosis must be confirmed by an appropriate *specialist* and supported by an echocardiogram and must require surgical repair.

Deafness

Congenital hearing impairment in both ears, identified during newborn hearing screening and confirmed by an appropriate *specialist* as resulting in:

- > an average hearing threshold in both ears, whether aided or unaided, of 91db or greater as measured at 500, 1000 and 1500Hz; or
- > the recommendation for the insertion of a cochlear ear implant.

Pregnancy Complications Benefit conditions

Disseminated intravascular coagulation (DIC)

Over activation of the coagulation and fibrinolytic system resulting in microvascular thrombosis and consumption of platelets and coagulation factors.

DIC complicating pregnancy may follow any major haemorrhage, pre-eclampsia, amniotic fluid embolism, endotoxic shock, and when foetal death occurs after 20 weeks.

Eclampsia

The occurrence of grand mal seizures in the presence of hypertension, proteinuria and oedema complicating a pregnancy, and not being due to other causes such as epilepsy.

Hydatidiform mole

Development of multiple fluid filled cysts in the uterus after the degeneration of the placenta which results in the death of the embryo as confirmed by a *registered medical practitioner*.

24. Key terms

<i>Accident</i>	Injury caused by violent, accidental, external and visible means.
<i>accidental death</i>	Death which is the result of external or internal bodily injury caused directly by violent external visible means, not attributable to any other event.
<i>accredited Adviser</i>	Either an Adviser with a current financial adviser agreement with Sovereign Services Limited or a member of a financial services industry body approved by Sovereign.
<i>activities of</i>	The total and irreversible disablement of the <i>life assured</i>

daily living	<p>with the effect that he or she is unable to perform without the physical assistance of someone else, at least one of the following activities for himself or herself (if the <i>life assured</i> can perform the activity on his or her own by using special equipment Sovereign will treat the <i>life assured</i> as being able to perform that activity):</p> <ul style="list-style-type: none"> > Bathing and showering; > Dressing and undressing; > Eating and drinking; > Using a toilet; > Moving from place to place by walking, in a wheelchair, or with a walking aid. 	<p>rooms on a level surface with the assistance of a walking aid, including a wheelchair.</p> <p>Transferring - The ability to independently transfer from the bed to a chair with the assistance of a walking aid.</p>
		child/children
		<p>Any biological child/children, adopted child/children or child/children under the legal guardianship of:</p> <ul style="list-style-type: none"> > a <i>life assured</i>; or > the spouse, civil or de facto partner of a <i>life assured</i>.
		close relative
		<p>A relative who is the <i>life assured's</i> spouse, civil or de facto partner, mother, father, step mother, step father, brother, sister, step brother, step sister, <i>child</i>, grandfather or grandmother.</p>
annual salary	<p>Regular remuneration that is subject to PAYE, excluding allowances in lieu of non-monetary remuneration and extra income such as, but not limited to, bonuses and overtime payments.</p>	condition(s)
		<p>A treatment, illness, surgical procedure or event, as specified in this <i>appendix</i>, which meets the specified definition.</p>
appropriate carer	<p>A medically qualified carer, or caring full time for a person who would need hospital, rest home or residential care.</p>	congenital condition
		<p>A health anomaly or defect, regardless of whether diagnosed or not:</p> <ul style="list-style-type: none"> > which is present at birth; and > for which the individual had signs or symptoms within three months of birth.
basic activity of daily living	<p>Washing - The ability to wash oneself without physical assistance or supervision. This includes transferring in and out of the bath or shower.</p> <p>Dressing - The ability to independently put on or take off all garments, including the securing and unfastening thereof. Where appropriate, this includes any braces, prosthesis or other surgical appliance.</p> <p>Feeding / eating - The ability to eat independently once food has been prepared and made available.</p> <p>Continence - The ability to manage bowel and bladder functions such that an adequate level of personal hygiene can be maintained.</p> <p>Mobility - The ability to move independently between indoor</p>	date of conversion
		<p>The later of the effective date or the actual date from which we receive the increased premium for the Life Cover Benefit and Accelerated Comprehensive Living Assurance Benefit cover.</p>
		full-time care
		<p>Care for 16 hours per day or more, provided by a nursing service approved by Sovereign whose profession it is to provide nursing services.</p>

gainful employment

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

high dependency unit

A specially staffed and equipped section of an intensive care complex that provides a level of care intermediate between intensive care and general ward care. Patients may be admitted to the high dependency unit:

- > from the intensive care unit as a step-down prior to transfer to the ward, or
- > directly from the ward, recovery or emergency areas.

life assured

A '*Life Assured*' named in the *schedule*.

limb(s)

An arm, leg, hand or foot. In respect of this definition:

- > the arm starts from the shoulder joint and ends at the wrist joint;
- > the hand starts from the wrist joint;
- > the leg starts from the hip joint and ends at the ankle joint; and
- > the foot starts from the ankle joint.

major interventional treatment

Non-surgical procedures or treatments initiated to treat the claimed medical *condition* including but not limited to: stereotactic radiosurgery, laser therapy, ultrasonic aspiration, chemotherapy, or radiotherapy. Pharmaceutical therapies administered outside of a clinical setting are excluded.

major invasive surgery

An invasive procedure occurring in a hospital operating theatre involving the incision, excision, manipulation, or

suturing of tissue, under general anaesthesia, spinal anaesthesia, or epidural. Elective cosmetic procedures are excluded.

medically necessary

A service or supply provided by a *registered medical practitioner* or *specialist* that Sovereign deems on reasonable grounds is necessary for the treatment of the disease, illness, or injury involved.

Under no circumstances shall the following services or supplies be considered medically necessary:

- > Those services or supplies that do not require the skills or services of a *registered medical practitioner* or *specialist*; and
- > Those services or supplies provided mainly for the comfort or convenience of the *life assured*.

pre-existing condition

Any disease or medical *condition* for which, prior to becoming covered under this policy, the individual consulted a *registered medical practitioner*, received treatment or services from a *registered medical practitioner*, or took prescribed drugs and medicines.

related condition

Any *condition* that Sovereign, in its sole discretion, deems to be directly or indirectly related to a previous claim's *condition*. This includes:

- (a) any *condition* that shows any increase in severity level of the same *condition*, and
 - (b) any *condition* that:
 - > arises in connection with;
 - > is a complication of;
 - > results from;
 - > is a consequence of; or
 - > is a complication of treatment for;
- a *condition* for which

Sovereign has paid a claim under the original Comprehensive Living Assurance Benefit.

Any two *conditions* that are both *related conditions* of a third *condition* will be treated as *related conditions* to each other for calculating the amount payable.

Sovereign policies

Any policy or policies where Sovereign is the insurer.

Specialist

A registered medical practitioner who has an approved fellowship in one of the approved surgical, anaesthetic or traditional non-surgical colleges and who is registered with the New Zealand Medical Council. These include, but are not limited to, the following disciplines: general surgery, orthopaedic surgery, urology, neurosurgery, anaesthesiology, cardiology, endocrinology, gastroenterology, haematology, paediatrics, gynaecology, obstetrics, neurology, oncology, renal specialists and rheumatology.

whole person functioning

As defined in the 'Guides to the Evaluation of Permanent Impairment – 4th Edition' (or subsequent editions), produced by the American Medical Association and measured six months beyond initial diagnosis.

work

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

you/your

The 'Policy Owner' named in *the schedule*.