

# TOTALCAREMAX PERSONAL

## OPTIONAL BENEFIT APPENDIX

### Family Protection Benefit

This *appendix* only applies if *you* have chosen a Family Protection Benefit. The terms of *your* TotalCareMax policy document also apply to this *appendix*.

Details of the Family Protection Benefit *you* have chosen 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 Family Protection Benefit?

Sovereign will pay a monthly Family Protection Benefit when the life assured for the benefit, as specified in *the schedule*, dies. Sovereign will begin paying the benefit as soon as we are satisfied with all the information which must be presented at the time of making a claim.

The benefit will continue to be paid for the benefit term as shown in *the schedule*. This will be either a *fixed term* or to a nominated future date, e.g. to age 45, the life assured's 45th birthday.

#### 2. Bereavement Support Benefit

Upon receiving written notification that the life assured for the Family Protection Benefit has died, Sovereign will pay a sum equal to the monthly amount of the Family Protection Benefit or \$15,000, whichever is the lower. The Bereavement Support Benefit will be treated as the first monthly payment or part thereof, of the Family Protection Benefit. Only one Bereavement Support Benefit payment per life assured will be made.

#### 3. 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 Family Protection Benefit:

- > Having a child (by birth or legal adoption);
- > Becoming married or entering into a civil union;
- > Becoming divorced or the dissolution of the life assured's civil union;
- > Becoming responsible for the full-time care or payment for long term care of a *close relative*;

*you* may write to Sovereign asking us to increase the Family Protection 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 Family Protection Benefit for the life assured; or
- > \$500 per month.

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

- > 50% of the original Family Protection Benefit for the life assured; or
- > \$1,500 per month.

The maximum increases outlined above each apply in respect of all Family Protection and/or similar benefits for that life assured across all *Sovereign policies*.

##### 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 12 months of the relevant special event and provide Sovereign with suitable evidence of the occurrence of the event.
- > A life assured over the age of 50 is not eligible for special events increases.
- > In any 12 month period *you* can make only one increase under this facility.

Sovereign will increase the Family Protection Benefit for a life assured from the date we accept *your* request.

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

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

##### When will Sovereign not pay a claim under this facility?

##### Increases in sum assured added to this policy

After a special events increase under this Facility has been made, Sovereign will not pay the increased benefit amount if before the increase, the life assured qualified for payment of the Family Protection 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 Special Events Increase Facility, then:

- > the Special Events Increase Facility under this policy will not be available for the proportion of the sum assured that represents the increase.
- > Sovereign will not pay the increased benefit amount if, before the increase, the life assured qualified for payment of the Family Protection Benefit.

### **4. Financial and Legal Advice Benefit**

If Sovereign pays a claim under the Family Protection Benefit, 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 Family Protection 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.

### **5. Premium Conversion Facility**

*You* may at any time:

- > Convert all or part of *your* Family Protection Benefit from the *premium* shown in *the schedule* to a Level *premium* structure. The Family Protection 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 Family Protection Benefit will apply to *your* new Family Protection Benefit.

### **6. How to make a claim**

To make a claim, *you* must follow the relevant procedures in the section of *your* TotalCareMax policy entitled 'How to make a claim'.

In addition, for a Family Protection Benefit claim, Sovereign will require:

- > A full death certificate (in the event of the death of a life assured), and a coroner's report if applicable.
- > A grant of administration – probate, or certificate of administration, or letters of administration if the deceased was the sole owner of the policy.

### **7. Exclusions – when Sovereign won't pay a benefit**

Sovereign will not pay any benefit under this *appendix* where the life assured dies as a direct or indirect result of an intentional self-inflicted act (whether sane or insane) within 13 months of the *risk commencement date* or, if cover under this *appendix* has been reinstated, the date of reinstatement. This exclusion applies to any subsequent benefit increase *you* make.

### **8. Key terms**

#### **to age**

The age chosen when *you* selected a to age benefit, as shown in *the schedule*. Any benefit will be payable until the life assured would have attained that age.

#### **fixed term**

The period in years, from the death of the life assured, chosen when *you* selected a fixed term benefit. This will be shown in *the schedule*.

#### **close relative**

A relative who is the life assured's spouse, mother, father, brother, sister, son, daughter, grandfather or grandmother.

#### **accredited Adviser**

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.