

OPTIONAL BENEFIT APPENDIX

Progressive Care Benefit

This *appendix* only applies if cover for the Progressive Care Benefit is shown in the *schedule*. This *appendix* forms part of and is incorporated into *your* TotalCareMax policy, the terms of which apply to this *appendix*.

1. Progressive Care Benefit

Sovereign will pay *you* a Progressive Care Benefit if the *life assured* meets all of the following criteria:

- > Suffers a *condition* as exactly defined in one of the five Schedules of Categories below;
- > Suffers the *condition* for the first time after the *risk commencement date* (and where a three month stand down period applies, after this period has expired also); and
- > Survives for at least 14 days after the *claim event date* for that *condition*, and where the *life assured* is being kept alive by a life support system, the *life assured* must survive for at least 14 days after the life support system is turned off.
- > For the Optional Total Permanent Disablement condition, survives for at least three months after the *life assured* became incapacitated.

The amount *you* receive will be a percentage of between 10% and 100% of the *sum assured*. The percentage will be determined by the severity of the *condition* based on a scale from levels 1 to 4 for some *conditions* and 1 to 5 for others. For more about severity levels see Section 5 below.

2. Covered conditions

There are five *categories of conditions*:

- > Cancer
- > Heart and Arteries
- > Brain and Nerves
- > Loss of Function
- > Other Health Events

Each of these *categories* and the *conditions* that come within them are set out in the five Schedules of Categories below.

At the *risk commencement date*, the *sum assured* is the same for each of these *categories* and is equal to the *sum assured* set out in the *schedule*.

Once a claim is paid under a *category*, the *balance of the sum assured* for that *category* decreases by the claim payment to leave the revised *balance of the sum assured* as the maximum amount available for that *category* for any subsequent claims. There is no change in the *balance of the sum assured* for other *categories*.

If an existing *condition* becomes more severe after payment of a claim, or if the *life assured* develops a non-related *condition* after payment of a claim, Sovereign will pay a subsequent claim in accordance with the terms of this *appendix*. For more about making subsequent claims see Section 6 below.

The *premium* will not reduce after a claim payment, except that, where applicable, the *premium* for the Optional Total Permanent Disablement condition will cease following a severity level 1 claim payment.

If *you* elected to increase *your sum assured* each year in line with the *consumer price index*, the *sum assured* (and *premium*) and any *balance of the sum assured* will increase each year accordingly.

3. Stand down periods

If 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 suffers:

- (a) Any of the *conditions* shown in the table below as having a three month stand down period; or
- (b) Symptoms or signs which lead to any of the *conditions* marked as having a three month stand down period (whether or not a *Registered Medical Practitioner* or *specialist* has been consulted)

within the first three months after the *risk commencement date*, then Sovereign will not pay a benefit for that *condition*.

Cover added under the Built-in Progressive Care Future Insurability Benefit or the Built-in Special Events Increase Facility

A six month stand down period applies to increases made under the Built-in Progressive Care Future Insurability Benefit or the Built-in Special Events Increase Facility, except where the claim is due to an *accident*, as outlined in Sections 7 and 8. Where the claim is due to an *accident*, the stand down period is waived on such increases provided the *life assured* has already served the three month stand down period on the original Progressive Care Benefit policy.

Cover added under the Special Events TPD/Trauma Facility

A six month stand down period applies to any accelerated Progressive Care 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 twelve 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 twelve months after the *risk commencement date*.

This twelve month stand down period applies anew to all added cover from the date the added cover commences, including cover added using the Built-in Progressive Care Future Insurability Benefit, the Built-in 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 medical Key terms 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.

Category	Conditions	3 month stand down
Cancer	Any malignant tumour	✓
	Any prostate <i>cancer</i>	✓
	Any malignant melanoma	✓
	Any carcinoma in situ	✓
	Urinary bladder <i>cancer</i>	✓
	Non-Hodgkin's Lymphoma	✓
	Hodgkin's Lymphoma	✓
	Any leukaemia	✓
	Any malignant brain tumour	✓
	Any benign brain tumour	
	Any myeloma	✓
	Aplastic anaemia	
	Any bone marrow or stem cell transplant	✓
	Transplant waiting list for bone marrow transplant	
Myelodysplastic syndrome	✓	
CIN-3, VIN-3, PIN-3	✓	
Heart and arteries	Any <i>heart attack</i>	✓
	Out of hospital cardiac arrest	
	Coronary artery bypass graft	✓

Category	Conditions	3 month stand down
	<ul style="list-style-type: none"> Angioplasty Aortic surgery Heart valve surgery Defibrillator insertion Pacemaker insertion Minor heart valve surgery Cardiomyopathy Severe congestive cardiac failure Severe peripheral vascular disease 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓
Brain and nerves	<ul style="list-style-type: none"> Any <i>stroke</i> Any Dementia and Alzheimer's disease Any Parkinson's disease Major head trauma Motor neurone disease Any multiple sclerosis Any muscular dystrophy Encephalitis Meningitis Peripheral neuropathy 	<ul style="list-style-type: none"> ✓ ✓
Loss of function	<ul style="list-style-type: none"> Coma Paralysis - Diplegia and Hemiplegia Loss of independent existence Severe burns/Major burns/Serious burns Any Loss of sight Loss of sight in one eye and one <i>limb</i> Any Loss of hearing Loss of speech Loss of <i>limbs</i> Intensive Care Benefit Paraplegia/Quadriplegia/Tetraplegia 	<ul style="list-style-type: none"> ✓

Category	Conditions	3 month stand down
Other health conditions	Optional Total Permanent Disablement <i>condition</i>	
	Chronic liver failure	✓
	Chronic lung failure	✓
	Chronic kidney failure	✓
	Primary pulmonary hypertension	
	Major organ transplant (or transplant waiting list)	
	Acute renal dialysis	
	Chronic Obstructive Pulmonary Disease	✓
	Removal of large bowel	✓
	Severe osteoporosis	✓
	Severe rheumatoid arthritis	✓
	Severe ulcerative colitis	✓
	Severe Crohn's disease	✓
	Advanced Type 1 diabetes	
	Type 1 diabetes	✓
	Advanced Type 2 diabetes	✓
	HIV and advanced AIDS	
	Pneumonectomy	
Systemic sclerosis		
Systemic lupus erythematosus		
Severe illness or injury		

4. Standalone or accelerated benefit

The *schedule* will specify if you have chosen a standalone or an accelerated benefit.

Standalone

If you have chosen a standalone benefit, a payment under this benefit does not reduce the *sum assured* under your Life Cover Benefit (if any).

Accelerated

If you have chosen an accelerated benefit, the *sum assured* for this Progressive Care Benefit cannot be greater than the *sum assured* for your Life Cover Benefit.

When Sovereign pays an accelerated Progressive Care 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 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, Parents Grieving Benefit, Repatriation Benefit, accelerated Progressive Care Benefit and, if applicable, the accelerated Living Assurance Benefit and the accelerated Total Permanent Disablement Benefit is the amount of the Life Cover Benefit for that *life assured*.

When Sovereign has paid the equivalent of the *sum assured* of the Life Cover Benefit, your cover under this benefit will change from accelerated to standalone. This will require you to pay an increased *premium*. This increase will be calculated on the rates applicable at the time to the standalone Progressive Care Benefit.

5. The severity level

The lump sum amount that Sovereign will pay at claim time will depend on the severity level of the *life assured's condition* and *your sum assured/balance of the sum assured you have available under the applicable category*.

The severity level of the *life assured's condition* determines the percentage of the *sum assured* that is used to determine the lump sum benefit that Sovereign will pay *you*. The percentage of the *sum assured* for each severity level is shown below.

Severity Level	Percentage
1 (most severe)	100%
2	75%
3	50%
4	25%
5 (least severe)	10%

The severity level of a *condition* is stated in the Schedule of Categories for the category the *condition* comes within.

Some of the *conditions* do not have all five severity levels.

6. The amount of cover

The *sum assured* is the maximum amount of cover *you* have for each *category*. After the first claim is paid under a *category*, the *balance of the sum assured* is the maximum amount Sovereign will pay *you* for any subsequent claim under that *category*. Once the *balance of the sum assured* is exhausted for a *category*, no further claims will be paid under that *category*.

a) First claim

The amount paid for the first claim for a *life assured* under this *appendix* is determined by Sovereign as follows:

1. Sovereign determines if the *life assured* has suffered the *condition*.
2. Sovereign identifies which category the *condition* falls under i.e. *Cancer*, Heart and Arteries, Brain and Nerves, Loss of Function or Other Health Events.
3. Sovereign determines the severity level percentage that applies to the *condition*.
4. The severity level percentage is then multiplied by the *sum assured*. This is the amount paid for the first claim.
5. The *balance of the sum assured* available for future claims under the *category* that the claim is paid under is then calculated as the *sum assured* minus the amount paid for the first claim.

b) Subsequent claims

Any claim made for a *life assured* after the first claim paid to *you* under this *appendix* for that *life assured* is a subsequent claim.

Sovereign will determine whether or not the *condition* relied upon for a subsequent claim is a *related condition* to a previous Progressive Care Benefit claim for that *life assured*.

The way subsequent claims are determined depends upon the length of time that has passed since the previous *claim event date* and whether the *condition* claimed for is a *related condition* or not.

More than 12 months after previous claim event date or related condition

If the subsequent claim's *claim event date* is more than 12 months after the preceding claim's *claim event date* or if the subsequent claim is for a *related condition*, then Sovereign determines the amount to be paid for the subsequent claim as follows:

1. Sovereign determines if the *life assured* has suffered the *condition*.
2. Sovereign identifies the *category* that the *condition* falls under i.e. *Cancer*, Heart and Arteries, Brain and Nerves, Loss of Function or Other Health Events. A subsequent claim can be made in the same *category* or a different *category* to the previous claim.
3. Sovereign determines the severity level percentage that applies for the *condition*:
 - (a) For a *condition* that is not a *related condition*, the severity level percentage is then multiplied by the *sum assured*. This will be the amount paid for the subsequent claim, unless the *balance of the sum assured* for the *category* that the *condition* falls under is less, in which case the *balance of the sum assured* for the *category* will be the amount paid for the subsequent claim.
 - (b) For a *related condition*, the severity level percentage of the *related condition* must be higher than the severity level percentage of the previous *condition* that it relates to. The amount by which the severity level percentage increases from the previous severity level percentage is then multiplied by the *sum assured*. This will be the amount paid for the subsequent claim, unless the *balance of the sum assured* for the *category* is less, in which case the *balance of the sum assured* for the *category* will be the amount paid for the subsequent claim. For the avoidance of doubt, *you* cannot claim more than the *sum assured* in total for the *life assured's* first claim and all subsequent related claims to that first claim.

Within 12 months of the previous claim event date and not a related condition

If *you* make a subsequent claim, where the *claim event date* is within 12 months of the immediately preceding claim's *claim event date* and the subsequent claim is not for a *related condition*, then Sovereign will deduct all claims paid under this *appendix* for that *life assured* within the previous 12 months from the amount determined in accordance with steps 1 to 3 immediately above. This may mean that no benefit is payable.

This deduction will not apply if the current or previous claim is/was for a *condition* that is the result of an *accident*.

c) Two or more claims for *conditions* arising simultaneously from one event

If a single event causes the *life assured* to have one or more simultaneously arising *conditions*, Sovereign will only pay one claim.

For each *condition*, Sovereign will determine the amount in accordance with steps 1 to 3 in b) above and the amount paid will be the highest of these amounts.

The *balance of the sum assured* will reduce for the *category* that the *condition* with the highest amount falls under, while the *balance of the sum assured* will be unchanged for other *categories*.

7. 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 Progressive Care 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;
- > the commencement of secondary school for the first time by a *child* of the *life assured*;
- > financially supporting a dependent *child* through a first course of full-time tertiary education;
- > 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 Progressive Care 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 Progressive Care 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 Progressive Care Benefits, Living Assurance 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.
- > Special Events increases are not available if the *life assured* has suffered a claim event under this *appendix* before *you* seek to exercise the Facility.
- > 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 Built-in Progressive Care Future Insurability Benefit increase (see Section 8);
 - A Special Events Increase under a Progressive Care Benefit or Living Assurance Benefit; or
 - (If applicable) exercising the Special Events TPD/Trauma Facility under the Life Cover Benefit and/or similar benefits to add an accelerated Progressive Care Benefit or an accelerated Living Assurance Benefit.

Sovereign will increase the Progressive Care Benefit *sum assured* 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 Special Events Increase Facility is exercised.

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

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 Progressive Care 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 Progressive Care 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 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 Progressive Care 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 Progressive Care Benefit.

8. Built-in Progressive Care Future Insurability Benefit

At every third policy *anniversary date* you may write to Sovereign asking us to increase the Progressive Care 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 make the request within 60 days either side of your policy *anniversary date*.
- > Each individual increase cannot exceed 20% of the original Progressive Care Benefit *sum assured* or \$200,000, whichever is the lesser.

- > The total increases made under this Facility cannot exceed 100% of the original Progressive Care Benefit *sum assured* for that *life assured* up to a maximum of \$500,000, whichever is the lesser.
- > The maximum *sum assured* for this Progressive Care Benefit cannot exceed \$1,500,000 including increases under this Benefit 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.
- > Where this Progressive Care Benefit is shown in the *schedule* as accelerated against the Life Cover Benefit the total increases under this Facility and the total benefit *sum assured* cannot exceed the *sum assured* of the Life Cover Benefit. See Section 4 "Standalone or Accelerated Benefit" for details.
- > A *life assured* is only eligible for Future Insurability Benefit increases from the age of 16 and before age 55.
- > Sovereign will increase the Progressive Care Benefit for a *life assured* from the date we accept *your* request.
- > Future Insurability Benefit increases are not available if the *life assured* has suffered a claim event under this appendix before you seek to exercise an increase under this Benefit.
- > 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 Progressive Care Future Insurability Benefit increase;
 - A Built-in Special Events Increase under a Progressive Care Benefit or Living Assurance Benefit; or
 - (If applicable) exercising the Special Events TPD/Trauma Facility under the Life Cover Benefit and/or similar benefits to add an accelerated Progressive Care Benefit or an accelerated Living Assurance Benefit.

Each Progressive Care Benefit increase in the *sum assured* will require an increase in *premium*. This increase will be calculated on the rates applicable at the

time the Progressive Care Future Insurability Benefit is used.

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

Increases in sum assured added to this policy

After a Built-in Progressive Care Future Insurability Benefit increase has been made, Sovereign will not pay claims based on the increased *sum assured* 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 Progressive Care 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 Progressive Care 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 Progressive Care Future Insurability Benefit, then:

- > The Built-in Progressive Care Future Insurability Benefit will not be available under this policy for the proportion of the *sum assured* that represents the increase.
- > Sovereign will not pay claims based on the increased *sum assured* 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 Progressive Care 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 Progressive Care Benefit.

9. Built-in Financial and Legal Advice Benefit

If Sovereign pays a claim under this Progressive Care Benefit for a *life assured* for a *condition* of severity level 1, 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 Progressive Care 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 Bereavement Support Benefit, the Optional Children's and Maternity Benefit or the Built-in Newborn Children's Benefit.

10. Built-in Children's Trauma Benefit

Sovereign will pay a Built-in Children's Trauma Benefit if a *child* of a *life assured* suffers a *condition* of severity level 1, 2 or 3, except for the Optional Total Permanent Disablement condition.

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 between two years and 21 years at the time he or she first suffers from that *condition*; and
- > Survives for at least 14 days after suffering from the *condition*.

The Benefit payable is the lower of \$50,000 or 50% of the *sum assured* across all Progressive Care 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).

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*.

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

11. 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; or
- > Absence of two or more limbs.

Please refer to Section 31 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, 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 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 Progressive Care policies for the *life assured*.

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 twelve 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 Progressive Care Future Insurability Benefit, the Built-in Special Events Increase Facility, or the Special Events TPD/Trauma Facility under the Life Cover Benefit.

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*.

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

12. 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 Progressive Care Benefit.

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

13. Built-in Bereavement Support Benefit

When is a Bereavement Support Benefit payable?

Sovereign will pay a Bereavement Support Benefit if:

- > a child of a *life assured* dies prior to birth but after at least 24 weeks gestation, where the *life assured* is the biological mother of the child; or
- > a *child* of a *life assured* dies.

This Benefit is only payable if the child is born, or would have been born if the pregnancy continued to full term, at least twelve months after the *risk commencement date*.

This Bereavement Support Benefit ceases when the *child* reaches age 21.

How much will Sovereign pay for the Bereavement Support 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 Bereavement Support Benefit will not reduce the *sum assured* of the Progressive Care Benefit for the *life assured*.

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

14. Built-in Counselling Benefit

The Counselling Benefit covers the cost of a Psychiatrist or Psychologist consultation and/or counselling where the support treatments and/or consultations directly relate to a claim under the Progressive Care Benefit. After referral by the registered medical *specialist* we will reimburse up to \$2,500 including GST (in total) per *life assured*, subject to the following conditions:

- > *You* must pay for the consultation and/or counselling within three months following Sovereign paying the Progressive Care claim; and
- > *You* must provide Sovereign with a receipt for the consultation and/or counselling *you* are claiming for.

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

15. Built-in Suspension of Premium Benefit

If a *life assured* goes on parental leave, or goes on leave without pay for any reason, *you* may suspend cover under this Progressive Care Benefit for the *life assured* provided that:

- > *you* notify Sovereign within three months from the commencement of leave and provide evidence to Sovereign of the parental leave or leave without pay; 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 acknowledgment.

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

No claim under this Progressive Care Benefit will be payable for any *condition* that occurs during, the period that the cover is suspended.

Cover under this Progressive Care Benefit *appendix* may be reinstated after it has been suspended 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 from commencing the leave; and
- > you notify Sovereign to reinstate this benefit.

If Sovereign does not receive notification to reinstate the suspended benefit before the end of the 12 months of suspension, the benefit will be automatically reinstated for that *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.

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 severity level 1 *condition* within the Loss of Function *category*.

The Optional Total Permanent Disablement condition will cease to apply, and *premiums* for this *condition* will cease, following any severity level 1 claim payment.

Premiums for the Optional Total Permanent Disablement condition will not be affected by a claim payment for a *condition* of any other severity level.

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

The Optional Total Permanent Disablement condition is only available before 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 a *condition* of severity level 1, 2, 3, 4 or 5, except for the Optional Total Permanent Disablement condition.

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

- > first suffers a *condition* after the *risk commencement date*, and subject to the stand down period provisions where these apply;
- > is aged between two years and 21 years 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 per *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.

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

The Benefit payable is the lower of \$75,000 or 50% of the *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* 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 Benefits *conditions* are covered?

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

See Section 31 for a full description of these Pregnancy

Complication Benefit *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 *sum assured* or *the balance of the sum assured* for any of the *categories*.

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*.

18. Built-in Children's Trauma Conversion Facility

The Built-in Children's Trauma Benefit can be converted to a standalone Progressive Care Benefit with a maximum *sum assured* of \$50,000 or 50% of the *life assured's* original *sum assured* whichever is lesser.

Where the *life assured's* *sum assured* has reduced, the conversion will be calculated on the reduced amount without further medical evidence.

If the Optional Children's and Maternity Benefit is shown on *the schedule*, it can also be converted to a standalone Progressive Care 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 the 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.

19. Built-in Standalone Conversion Facility

If *the schedule* shows the Progressive Care Benefit as standalone *you* can convert *your* cover to an accelerated Progressive Care Benefit with an equal amount of Life 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 Option 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 the standalone Progressive Care Benefit, this includes any claim currently under assessment;
- > The *life assured* is not terminally ill or suffering from a terminal illness;
- > The *premiums* for their standalone Progressive Care Benefit are paid up to date;
- > The standalone Progressive Care *sum assured* must be equal to the accelerated Progressive Care *sum assured*;
- > The Life benefit *sum assured* does not exceed the accelerated Progressive Care *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 Progressive Care Benefit will be reinstated from the *date of conversion*.

20. Built-in Premium Conversion Facility

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

- > Convert all or part of *your* Progressive Care Benefit from the *premium* shown in *the schedule* to a Level *premium* structure. The Progressive Care 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 loading(s) and/or exclusion(s) that applied to *your* existing Progressive Care Benefit will apply to *your* new Progressive Care Benefit.

21. Reducing your sum assured

You can write to Sovereign at any time to reduce *your sum assured*. *You* can make a reduction to *your sum assured* before *you* make a claim or after *you* have made a claim. In either case, the *balance of the sum assured* *you* have in each *category* will be reduced in proportion to the reduction in the *sum assured*. Sovereign will send *you* an

endorsement letter, confirming the reduced *sum assured* and this will form part of *your appendix*.

22. Exclusions: When Sovereign will not pay a benefit

Sovereign will not pay a benefit under this *appendix* if any of the exclusions that are set out in each Schedule of Categories applies to the *condition* listed in that category.

Sovereign will not pay any benefit under this *appendix* where any of the following directly or indirectly causes or contributes to the *condition* (whether or not the *condition* is a *related condition*):

- > The *life assured* (or a *child* in the case of a Built-in Children's Trauma Benefit, the Built-In Bereavement Support Benefit or the Optional Children's and Maternity Benefit) deliberately injures himself or herself or attempts to do so.
- > The *life assured* (or a *child* in the case of a Built-in Children's Trauma Benefit, the Built-In Bereavement Support Benefit or the Optional Children's and Maternity Benefit) engages in or is part of any conduct that is criminal.

Sovereign will not pay any benefit under 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, Built-in Bereavement Support 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 any benefit under this *appendix* for:

- > Any *condition*; or
- > Any symptom or sign that leads to a *condition*

that existed before the *risk commencement date* (whether or not a *registered medical practitioner* has been consulted), unless Sovereign is satisfied that:

- > *You* and the *life assured* could not have known of the existence of the *condition* or the symptom or sign that led to the *condition*; or
- > The *condition* or symptom or sign that led to the *condition* was declared on *your* application and accepted by Sovereign.

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

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

These exclusions also apply to any subsequent *sum assured* increase *you* make.

23. How to make a claim

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

In addition, for a Progressive Care 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* to have an examination by a *registered medical practitioner* or *specialist* 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 *you* can phone Sovereign on 0800 500 108 or *your* Adviser. Find claim information online at sovereign.co.nz

24. Key terms

accident Injury caused by violent, accidental, external and visible means.

accidental death Death which is the result of external or internal bodily injury caused directly by violent external visible means, not attributable to any other event.

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.

activities of daily living The total and irreversible disablement of the *life assured* 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 *life*

	<p><i>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>guardianship of:</p> <ul style="list-style-type: none"> > A <i>life assured</i>; or > The spouse or de facto partner of a <i>life assured</i>.
		claim event date	The date the medical treatment or event occurred, or the date the <i>condition</i> was diagnosed by a <i>specialist</i> .
		close relative	A relative who is the <i>life assured's</i> spouse, mother, father, brother, sister, son, daughter, grandfather or grandmother.
annual salary	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.	condition(s)	<p>Any:</p> <ul style="list-style-type: none"> > medical treatment; > event; or > illness as diagnosed by a <i>specialist</i> <p>that exactly matches one of the definitions listed in any of the five Schedules of Categories attached to this <i>appendix</i>.</p>
balance of the sum assured	The amount of the <i>sum assured</i> remaining under each <i>category</i> after deduction of all claim payments already made under that <i>category</i> to date.	congenital condition	A health anomaly or defect which is present at birth, whether it is recognised or not, and whether it is inherited or due to external environmental factors such as drugs, alcohol, or complications during pregnancy or delivery.
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 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>	date of conversion	The later of the effective date or the actual date from which we receive the increased premium for the Life Cover Benefit and accelerated Progressive Care benefit cover.
		gainful employment	<i>Working</i> to generate income through personal efforts by using the <i>life assured's</i> time and skills. He or she can be self-employed, employed, earning fees, under contract, receiving commissions, <i>working</i> 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: <ul style="list-style-type: none"> > from the intensive care unit as a step-down prior to transfer to the ward, or > directly from the ward, recovery or emergency areas.
category	One of five categories of <i>conditions</i> as set out in the Schedule of Categories below.	life assured	A ' <i>Life assured</i> ' named in the <i>schedule</i> .
child/children	Any biological child/children, adopted child/children or child/children under the legal		

limb(s)	<p>An arm, leg, hand or foot. In respect of this definition:</p> <ul style="list-style-type: none"> > 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. 	related condition	<p>Any <i>condition</i> that Sovereign, in its sole discretion, deems to be directly or indirectly related to a previous claim's <i>condition</i>. This includes:</p> <ul style="list-style-type: none"> > any increase in severity level of the same <i>condition</i>, and > any <i>condition</i> that is a recognised outcome and/or complication of a previous claim or a recognised complication of any treatment administered in relation to a previous claim.
major interventional treatment	<p>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.</p>	<p>Any two <i>conditions</i> that are both <i>related conditions</i> of a third <i>condition</i> will be treated as <i>related conditions</i> to each other for calculating the amount payable.</p>	<p>The Schedule of <i>Related Conditions</i> detailed in Section 25 outlines some of the <i>conditions</i> that are deemed to be <i>related conditions</i> of other <i>conditions</i>. The list is not exhaustive.</p>
major invasive surgery	<p>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.</p>	significant cognitive impairment	<p>Means mental deterioration and loss of intellectual ability, evidenced by deterioration in memory, orientation and reasoning, which are measurable and result from demonstrable organic cause as diagnosed by a <i>specialist</i>. The degree of cognitive impairment must be sufficiently severe to require a minimum of 16 hours of daily supervision by a nursing service approved by us. Determination of a cognitive impairment will be made on the basis of clinical data and valid standardised measures of such impairments.</p>
medically necessary	<p>A service or supply provided by a <i>registered medical practitioner</i> or <i>specialist</i> that Sovereign deems on reasonable grounds is necessary for the treatment of the disease, illness, or injury involved.</p> <p>Under no circumstances shall the following services or supplies be considered medically necessary:</p> <ul style="list-style-type: none"> > Those services or supplies that do not require the skills or services of a <i>registered medical practitioner</i> or <i>specialist</i>, and > Those services or supplies provided mainly for the comfort or convenience of the <i>life assured</i>. 	Sovereign policies	<p>Any policy or policies where Sovereign is the insurer.</p>
pre-existing condition	<p>Any disease or medical <i>condition</i> for which, prior to becoming covered under this policy, the individual consulted a <i>registered medical practitioner</i>, received treatment or services from a <i>Registered Medical Practitioner</i>, or took prescribed drugs and medicines.</p>	specialist	<p>A <i>registered medical practitioner</i> 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.</p>

sum assured	The 'Sum Assured' shown in <i>the schedule</i> for the Progressive Care Benefit. This includes any increase by the <i>consumer price index</i> if <i>your</i> benefit indexation type is specified in <i>the schedule</i> as CPI Linked.
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 <i>life assured's</i> time and skills, whether or not income is generated for the <i>life assured</i> . <i>Worked</i> and <i>working</i> have similar meaning.
you/your	The 'Policy Owner' named in <i>the schedule</i> .

SAMPLE

25. Schedule of *related conditions*

The table below sets out some of the *conditions* that Sovereign deems to be *related conditions* to earlier *conditions* suffered by the *life assured*.

This list of *related conditions* is **not** exhaustive.

<i>Condition for which a claim was paid</i>	<i>Related condition of a subsequent claim</i>
Any of the <i>conditions</i> in the category of <i>cancer</i>	Any second primary <i>cancer</i> arising in the same organ, or pair of organs, or tissue as a prior <i>cancer</i>
Any Dementia and Alzheimer's Disease	Loss of independent existence
Any multiple sclerosis	Dementia and Alzheimer's Disease, Loss of independent existence
Any muscular dystrophy	Cardiomyopathy
Any Parkinson's disease	Dementia and Alzheimer's Disease, Loss of independent existence
Any <i>stroke</i>	Parkinson's disease, Dementia and Alzheimer's Disease, Loss of independent existence, <i>Heart attack</i>
Any <i>heart attack</i>	Any <i>stroke</i>
Major head trauma	Coma
Advanced type 1 diabetes	Major organ transplant, Chronic kidney failure, Acute renal dialysis, Loss of sight in one eye, Permanent blindness, Loss of sight in one eye and loss of a <i>limb or limbs</i> , <i>Stroke</i> , <i>Heart attack</i> , Coronary artery bypass graft
Any severity level 1 <i>condition</i>	Optional Total Permanent Disablement <i>condition</i>

26. Schedule of categories – cancer category

Cancer – solid tumours

Key term

Cancer means any malignant tumour, positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasive and destruction of normal tissue. The term malignant tumour includes leukaemia, sarcoma and lymphoma.

When a *cancer* is determined by the *life assured's* treating *specialist* to be a recurrence, local or regional spread, or metastasis of the *life assured's* prior cancer claim, then this will be assessed as part of the *life assured's* original claim.

The severity of *cancer* is measured by staging at first diagnosis. For the purposes of paying claims, if the *cancer* progresses, Sovereign will assess the severity of the *cancer* using the same staging criteria as if the *cancer* is reclassified at time of claim. For example, a Stage II breast *cancer* with bone metastasis will qualify for claim as Stage IV breast *cancer*.

Metric for the *conditions* in the table immediately below:

TNM Classification is an internationally recognised standardised method of staging *cancers*, where:

- > Tumour (T): a scale of 0 to 4 is used to record the size and extent of spread of the primary tumour (T0 means no evidence of a primary tumour).
- > Nodes (N): a scale of 0 to 3 is used to record the extent of spread to regional lymph nodes (N0 means lymph nodes are not involved).
- > Metastases (M): M0 means no distant metastasis and M1 means distant spread of the *cancer*.

Severity Level	Conditions
1	> Any metastatic cancer or Stage III or above cancer based on TNM classification, where all treatment modalities have failed and been exhausted and where no other therapies are available and where progression of the cancer can be identified.
2	> Advanced cancer classified as Stage III or above based on TNM classification.
3	> Advanced cancer classified as Stage II based on TNM classification. > Carcinoma in situ of the breast requiring the removal of the entire breast (total mastectomy). > Cancer classified as Stage I based on TNM classification requiring the removal of the entire breast (total mastectomy). > Prostate cancer where the tumour is described histologically as TNM Classification T2 or greater. > Malignant melanoma of Clark level 3 or above; or more than 2mm Breslow thickness; or showing evidence of ulceration.
4	> Carcinoma in situ (Tis) with organ removal. Tumours showing the malignant changes of carcinoma in situ or which are histologically described as pre-malignant, resulting directly in the removal of the entire organ. > Carcinoma in situ of the breast requiring any of the following: - Breast conserving surgery (lumpectomy, quadrantectomy, segmental mastectomy) and radiotherapy; or - Breast conserving surgery and chemotherapy. > Cancer classified as Stage I based on TNM classification. > Prostate cancer which is histologically described as both TNM Classification T1 and Gleason score of 5 or less, requiring major treatment (including but not limited to prostatectomy, radiotherapy or chemotherapy). > Prostate cancer where the tumour is described histologically as TNM Classification T1 and has a Gleason score of 6 or greater. > Malignant melanoma of Clark level 2 ; or of less than or equal to 2mm and greater than 1mm Breslow thickness.
5	> Cancer of the urinary bladder – Stage Ta. > Carcinoma in situ (Tis) - equivalent of "In Situ" summary staging. The presence of malignant/cancerous cells at a stage of development such that they have not spread into surrounding healthy tissue. The tumour must be classified as Tis according to the TNM Classification or FIGO Stage 0. > Cervical, vaginal or prostatic intraepithelial neoplasia (dysplasia) with histology showing CIN-3, VIN-3 or PIN-3. > Malignant melanoma of Clark level 1 ; or of less than 1mm Breslow thickness. > Prostate cancer where the tumour is described histologically as TNM Classification T1 and has a Gleason score of 5 or less.

Cancer – blood disorders

Severity Level	Conditions
1	> Advanced lymphoma classified as Stage IV based on Ann-Arbor classification
2	> Hodgkin's Lymphoma classified as Stage III based on Ann-Arbor classification > Non-Hodgkin's Lymphoma classified as Stage III based on Ann-Arbor classification

3	<ul style="list-style-type: none"> > Hodgkin's Lymphoma classified as Stage II based on Ann-Arbor classification > Non-Hodgkin's Lymphoma classified as Stage II based on Ann-Arbor classification
4	<ul style="list-style-type: none"> > Hodgkin's Lymphoma classified as Stage I based on Ann-Arbor classification > Non-Hodgkin's Lymphoma classified as Stage I based on Ann-Arbor classification

Cancer – leukaemias

Severity Level	Conditions
1	<ul style="list-style-type: none"> > Acute myeloid leukaemia > Acute lymphoblastic leukaemia > Advanced chronic lymphocytic leukaemia classified as RAI Stage IV
2	<ul style="list-style-type: none"> > Advanced chronic lymphocytic leukaemia classified as RAI Stage III > Chronic myeloid leukaemia requiring bone marrow transplant
3	<ul style="list-style-type: none"> > Chronic lymphocytic leukaemia classified as RAI Stage II > Chronic myeloid leukaemia not requiring bone marrow transplant
4	<ul style="list-style-type: none"> > Chronic lymphocytic leukaemia classified as RAI Stage 0 or I

Cancer – brain tumours

Key term

Permanent neurological deficit with persisting clinical symptoms means symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the *life assured's* life.

Symptoms that are covered include:

- | | |
|---|---|
| <ul style="list-style-type: none"> > numbness > hyperaesthesia (increased sensitivity) > paralysis > localised weakness > dysarthria (difficulty with speech) > aphasia (inability to speak) > dysphagia (difficulty in swallowing) > visual impairment | <ul style="list-style-type: none"> > difficulty in walking > lack of coordination > tremor > seizures > lethargy > dementia > delirium > coma |
|---|---|

However, the following symptoms are not covered:

- > An abnormality seen on brain or other scans without definite related clinical symptoms.
- > Neurological signs occurring without symptomatic abnormality e.g. brisk reflexes without other symptoms
- > Symptoms of psychological or psychiatric origin.

Severity Level	Conditions
1	> Malignant brain tumour classified as Grade IV based on World Health Organisation (WHO) grading system
2	> Malignant brain tumour classified as Grade III based on World Health Organisation (WHO) grading system
3	> Malignant brain tumour classified as Grade II based on World Health Organisation (WHO) grading system > Benign brain tumour – a non-malignant tumour or cyst in the brain resulting in: <ul style="list-style-type: none"> - <i>permanent neurological deficit with persisting clinical symptoms</i>; or - treatment using <i>major interventional treatment</i> necessary for the therapeutic management of the tumour as deemed appropriate and <i>medically necessary</i>; or - removal through surgery (whether it is able to be removed or not) as deemed appropriate and <i>medically necessary</i>. Does not include tumours in the pituitary gland, angiomas, haematomas, granulomas and cerebral abscesses.
4	> Malignant brain tumour classified as Grade I based on World Health Organisation (WHO) grading system
5	> Benign brain tumour – a non-malignant tumour or cyst in the brain. Does not include tumours in the pituitary gland, angiomas, haematomas, granulomas and cerebral abscesses.

Other cancers

Severity Level	Conditions
1	> Myeloma classified as stage 3 on the Durie Salmon scale or ISS, requiring chemotherapy or radiotherapy > Myeloablative bone marrow transplant specifically to treat <i>cancer</i>
2	> Aplastic anaemia means the <i>life assured</i> 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: <ul style="list-style-type: none"> – Blood product transfusion – Marrow stimulating agents – Immunosuppressive agents – Bone marrow transplantation > Confirmed diagnosis of myelodysplastic syndrome with a high (>4.5-6) International Prognostic Scoring System requiring continuing and ongoing supportive care with regular transfusion of blood products, chemotherapy, or other equivalent treatments > Reduced intensity conditional bone marrow or autologous bone marrow or stem cell transplant specifically to treat <i>cancer</i> > Transplant waiting list for the transplant of bone marrow specifically to treat <i>cancer</i> > Myelofibrosis
3	> Confirmed diagnosis of myelodysplastic syndrome with a low to mild (>1.5-4.5) International Prognostic Scoring System requiring continuing and ongoing supportive care with regular transfusion of blood products, chemotherapy, or other equivalent treatments > Myeloma classified as stage 2 on the Durie Salmon scale or ISS, requiring chemotherapy or radiotherapy

4	>	Myeloma classified as stage 1 on the Durie Salmon scale or ISS, requiring chemotherapy or radiotherapy
5	>	Bone marrow or stem cell transplant to treat a disease other than <i>cancer</i> .

Cancer exclusions

- > All non-melanocytic skin *cancers* (such as basal cell carcinomas and squamous cell carcinomas) unless there has been a spread to lymph nodes or distant organs or shows evidence of ulceration.
- > Any myeloproliferative diseases including polycythaemia rubra vera and essential thrombocytosis.
- > Cervical, vaginal or prostatic intraepithelial neoplasia (dysplasia) with histology showing CIN-1 to CIN-2, VIN-1 to VIN-2 or PIN-1 to PIN-2, each inclusive.

27. Schedule of categories – heart and arteries categories

Key term

Heart attack means the death of a portion of the heart muscle 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 (Troponin T or Troponin I or CK-MB) with at least one value above the 99th percentile of the upper reference limit;

and at least one of the following:

- > Signs and symptoms of ischaemia which are consistent with myocardial infarction; or
- > New serial ECG manifestations of acute 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
- > 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 10 times the 99th percentile of the upper reference limit.

If the above tests are inconclusive, Sovereign will also consider the evidence in conjunction with other appropriate and medically recognised tests.

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

Severity Level

Conditions

1	<ul style="list-style-type: none"> > Heart attack resulting in permanent and irreversible left ventricular ejection fraction of less than 30% (two measurements of at least 6 months apart) whilst on ongoing optimal therapy for a minimum of six months, and significant and irreversible physical impairment to the degree of at least Class III of the New York Heart Association Functional Classification System of cardiac impairment. > Cardiomyopathy means impaired ventricular function of variable aetiology, resulting in permanent and irreversible left ventricular ejection fraction of less than 30% (two measurements of at least 6 months apart) whilst on ongoing optimal therapy for a minimum of six months, and significant and irreversible physical impairment to the degree of at least Class III of the New York Heart Association Functional Classification System of cardiac impairment. > Severe congestive cardiac failure means the inability of the heart muscle on either the right or left side of the heart, or both, to pump blood effectively, resulting in a backflow into vessels supplying the heart. This must be diagnosed by a Consultant Cardiologist and optimal therapy must have been established for at least 6 months. There must be at least 4 signs of congestive heart failure present for a claim to be considered.
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Severity Level

Conditions

	<p>The signs of congestive heart failure include:</p> <ul style="list-style-type: none"> – Presence of third heart sound – Jugular venous pressure above 6 cms – Rales present in both bases on auscultation – Cardiomegaly on chest x-ray – Grade 3, or gross ascites, associated with marked abdominal distension – Severe oedema to a level above the knee. <p>> Severe peripheral vascular disease means severe restriction of blood flow through the arteries below the knee as measured by doppler readings of less than 30 per cent of normal and a claudication distance of 20 metres, resulting in amputation of the leg below the knee or higher.</p>
2	<p>> Heart attack resulting in permanent and irreversible left ventricular ejection fraction of 30 to 40% (two measurements of at least 6 months apart) whilst on ongoing optimal therapy for a minimum of six months, and significant and irreversible physical impairment to the degree of at least Class III of the New York Heart Association Functional Classification System of cardiac impairment.</p> <p>> Coronary artery bypass graft means the undergoing of surgery on the advice of a Consultant Cardiologist to correct narrowing or blockage of coronary arteries with by-pass grafts.</p> <p>> Aortic surgery means the undergoing of surgery or endovascular repair that is considered necessary to correct any narrowing, dissection or aneurysm of the thoracic or abdominal aorta.</p> <p>> Percutaneous coronary angioplasty 3 vessels means percutaneous coronary angioplasty or other percutaneous coronary artery procedures performed by a Consultant Cardiologist considered <i>medically necessary</i> on the basis of angiographic evidence to dilate and treat three or more coronary arteries within a period of sixty days.</p> <p>> Cardiomyopathy means impaired ventricular function of variable aetiology, resulting in permanent and irreversible left ventricular ejection fraction of 30 to 40% (two measurements of at least 6 months apart) whilst on ongoing optimal therapy for a minimum of six months, and significant and irreversible physical impairment to the degree of at least Class III of the New York Heart Association Functional Classification System of cardiac impairment.</p>
3	<p>> Heart attack (as defined above in the key term).</p> <p>> Heart valve surgery means the undergoing of open heart surgery that is considered necessary to correct or replace cardiac valves as a consequence of heart valve defects or abnormalities.</p> <p>> Permanent cardiac defibrillator insertion means the permanent insertion of an automatic implantable defibrillator after the occurrence of ventricular tachycardia or ventricular fibrillation.</p> <p>> Severe peripheral vascular disease means severe restriction of blood flow through the arteries below the knee as measured by doppler readings of less than 30 per cent of normal and a claudication distance of 20 metres, with gangrene and amputation of more than one toe.</p>
4	<p>> Percutaneous coronary angioplasty means percutaneous coronary angioplasty or other percutaneous coronary artery procedures performed by a Consultant Cardiologist considered necessary to dilate and considered medically necessary to treat one or two coronary arteries during the same procedure. The procedure may or may not involve the use of a stent.</p> <p>> Permanent pacemaker insertion means 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.</p> <p>> Minor heart valve surgery means the undergoing of a catheter based endovascular valve repair or valve implantation as a consequence of heart valve defects or abnormalities.</p> <p>> Out-of-hospital cardiac arrest means cardiac arrest not associated with any medical procedure and that is documented by an electrocardiogram and occurs out of hospital, and is due to:</p> <ul style="list-style-type: none"> – cardiac asystole; or – ventricular fibrillation with or without ventricular tachycardia.

28. Schedule of categories – brain and nerves categories

Key term

Stroke means the diagnosis of a stroke that meets all of the following:

- > cerebrovascular incident producing neurological deficits lasting more than 24 hours; and
- > evidenced by acute onset of new objective neurological signs and symptoms; and
- > evidenced by neuro-imaging changes consistent with the signs and symptoms; and
- > confirmed by a registered medical *specialist*.

Includes where there is infarction of brain tissue, intracranial or subarachnoid haemorrhage or embolization from extracranial source.

Transient ischaemic attacks, migraine, vascular disease affecting the eye, optic nerve or vestibular functions, and incidental imaging findings (CT or MRI brain scan without clearly related clinical symptoms (silent stroke)), or as a result of hypoxia and trauma are excluded.

Permanent neurological deficit with persisting clinical symptoms means symptoms of dysfunction in the nervous system that are present on clinical examination and expected to last throughout the *life assured's* life.

Symptoms that are covered include:

- | | |
|--|-------------------------|
| > numbness | > difficulty in walking |
| > hyperaesthesia (increased sensitivity) | > lack of coordination |
| > paralysis | > tremor |
| > localised weakness | > seizures |
| > dysarthria (difficulty with speech) | > lethargy |
| > aphasia (inability to speak) | > dementia |
| > dysphagia (difficulty in swallowing) | > delirium |
| > visual impairment | > coma. |

However, the following symptoms are not covered:

- > An abnormality seen on brain or other scans without definite related clinical symptoms.
- > Neurological signs occurring without symptomatic abnormality e.g. brisk reflexes without other symptoms
- > Symptoms of psychological or psychiatric origin.

Severity Level	Conditions
1	<ul style="list-style-type: none"> > Stroke resulting in the <i>life assured</i>: <ul style="list-style-type: none"> – at least six months after the <i>stroke</i> is suffering at least 25% permanent whole person impairment as defined in the American Medical Association 'Guides to the Evaluation of Permanent Impairment', 5th edition, or an equivalent guide to impairment approved by Sovereign; or – at least three months after the <i>stroke</i> has been an 'admitted patient' for a continuous period of at least three months and undergoing optimal therapy for the entire three months; and – is confirmed by a registered medical <i>specialist</i> who is a consultant neurologist. <p>'Admitted patient' is a patient who undergoes a hospital's admission process to receive treatment and/or care. This treatment and/or care is provided over a period of time and can occur in hospital and/or in the person's home.</p> > Multiple sclerosis with severity means the unequivocal diagnosis of multiple sclerosis, 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. > Parkinson's disease with severity means the unequivocal diagnosis of Idiopathic Parkinson's disease where the <i>condition</i> cannot be controlled by medication and shows signs of progressive

Severity Level	Conditions
	<p>impairment.</p> <ul style="list-style-type: none"> > Muscular dystrophy with severity means the unequivocal diagnosis of muscular dystrophy diagnosed by an appropriate <i>specialist</i> approved by Sovereign and resulting in permanent and irreversible inability to perform two <i>activities of daily living</i>. > Major head trauma means accidental cerebral injury resulting in <i>permanent neurological deficit with persisting clinical symptoms</i>. > Motor neurone disease means unequivocal diagnosis of motor neurone disease diagnosed by an appropriate <i>specialist</i> approved by Sovereign. > Dementia and Alzheimer's Disease with severity means the diagnosis of advanced Dementia or Alzheimer's disease and resulting in <i>significant cognitive impairment</i> or permanent irreversible inability to perform two <i>activities of daily living</i>.
2	<ul style="list-style-type: none"> > Peripheral neuropathy means the irreversible inflammation or degradation of a peripheral nerve, diagnosed by an appropriate <i>specialist</i> approved by Sovereign. > Stroke resulting in at least three months after the <i>life assured</i> suffered the <i>stroke</i> a persisting neurological deficit which is confirmed by a registered medical <i>specialist</i> who is a consultant neurologist or neurological occupational therapist and by a clinical neurological examination. > Multiple sclerosis diagnosis means the unequivocal diagnosis of multiple sclerosis confirmed by CT or MRI scans and diagnosed by an appropriate <i>specialist</i> approved by Sovereign. > Muscular dystrophy diagnosis means the unequivocal diagnosis of muscular dystrophy diagnosed by an appropriate <i>specialist</i> approved by Sovereign. > Parkinson's Disease diagnosis means the unequivocal diagnosis of Idiopathic Parkinson's disease by an appropriate <i>specialist</i> approved by Sovereign. > Meningitis diagnosis means the diagnosis of meningitis by an appropriate <i>specialist</i> approved by Sovereign. > Encephalitis diagnosis means the unequivocal diagnosis of severe inflammatory disease of the brain diagnosed by an appropriate <i>specialist</i> approved by Sovereign.
3	<ul style="list-style-type: none"> > Dementia and Alzheimer's Disease means the diagnosis of either Advanced Dementia or Alzheimer's disease by a consultant neurologist, psychiatrist or geriatrician which meets the following criteria: <ul style="list-style-type: none"> – there must be permanent clinical loss of the cognitive ability to do one or more of the following for which no other physical cause has been identified: <ul style="list-style-type: none"> • remember; • reason; • perceive, understand, express and give effect to ideas <p>and;</p> <ul style="list-style-type: none"> – neurological and physical investigations are required to confirm the diagnosis such as blood and urine tests, brain scans, mental status assessment to determine the level of mental deterioration.
4	<p>Stroke (as defined in the key term). If neuro-imaging is unavailable or inconclusive, then we will consider a claim based on a definite diagnosis by two specialist consultant neurologists; one approved by Sovereign and one of the <i>life assured's</i> choosing.</p>

29. Schedule of categories – loss of function category

Severity
Level

Conditions

1

- > **Loss of independent existence** means the *life assured* is totally and irreversibly disabled, with the effect that he or she, as a result of sickness or injury:
 - Is unable to perform without the physical assistance of someone else at least two *activities of daily living* for himself or herself (if the *life assured* can perform the activity on his or her own by using special equipment we will treat the *life assured* as being able to perform that activity); or
 - Suffers *significant cognitive impairment* means mental deterioration and loss of intellectual ability, evidenced by deterioration in memory, orientation and reasoning, which are measurable and result from demonstrable organic cause as diagnosed by an appropriate *specialist* in psychogeriatrics, psychiatry, neurology or geriatrics. The degree of cognitive impairment must be sufficiently severe to require a minimum of 16 hours of daily supervision by a nursing service approved by Sovereign. Determination of a cognitive impairment will be made on the basis of clinical data and valid standardised measures of such impairments.
- > **Total blindness** means irrecoverable loss of sight of both eyes as a result of sickness or injury. This is evidenced by:
 - visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in both eyes; or
 - 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.
- > **Loss of sight in one eye and loss of one limb** means:
 - Irrecoverable loss of sight in one eye (whether aided or unaided) as a result of sickness or injury. This is evidenced by:
 - visual acuity of 6/60 or less in that eye; or
 - field of vision is reduced to 20 degrees or less of arc;
 - and
 - the *life assured*, as a result of sickness or injury, permanently loses the entire use of one *limb*.
- > **Loss of two limbs** means the *life assured*, as a result of sickness or injury, permanently loses the use of two or more *limbs*.
- > **Total deafness** means 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.
- > **Loss of speech** means the *life assured*, as a result of sickness or injury loses the ability to produce intelligible speech, both natural and assisted. This loss must be total and permanent as assessed three months after the event. Loss of speech related to any psychological cause is excluded.
- > **Paralysis** means the total and permanent loss of function of two or more *limbs* as a result of sickness or injury causing permanent damage to the nervous system. This includes, but is not limited to, quadriplegia, paraplegia, diplegia and hemiplegia.
- > **Intensive care** means 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 endotracheal intubation and/or tracheostomy) in the intensive care unit of a hospital. The *life assured* must have also sustained a neurological deficit causing inability to perform one of the *activities of daily living*. Unconsciousness caused by drug and alcohol abuse is specifically excluded.
- > **Total Permanent Disablement** (Optional condition) the *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 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 resume work in that occupation or carry on in that business; or

B. suffers the total and permanent loss of 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.

Severity Level

Conditions

	<p>Any <i>condition</i> 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 <i>condition</i>.</p> <p>Sovereign will not pay a benefit under the Total Permanent Disablement <i>condition</i> if the <i>life assured</i> dies within three months of the date that the <i>life assured</i> became incapacitated.</p>
<p>2</p>	<ul style="list-style-type: none"> > Severe burns means the <i>life assured</i> has suffered tissue injury caused by thermal, electrical or chemical agents. As a result, the <i>life assured</i> has full thickness of third-degree burns to: <ul style="list-style-type: none"> – 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. > Coma means a definite diagnosis of a state of unconsciousness resulting in the following for at least 72 hours: <ul style="list-style-type: none"> – a documented Glasgow Coma Score of 7 or less; and – the use of a life support system. <p>Coma arising from drug and alcohol abuse is specifically excluded.</p>
<p>3</p>	<ul style="list-style-type: none"> > Major burns means tissue injury caused by thermal, electrical or chemical agents causing third degree burns to: <ul style="list-style-type: none"> – at least 9%, but less than 20%, of the body surface area as measured by The Rule of 9 or the Lund and Browder Body Surface Chart; or – the whole of one hand or 50% of the surface area of both hands combined, requiring surgical debridement and/or grafting; or – the whole of one foot or 50% of the surface area of both feet combined, requiring surgical debridement and/or grafting.
<p>4</p>	<ul style="list-style-type: none"> > Intensive care means 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. > Loss of sight in one eye means irrecoverable loss of sight in one eye as a result of sickness or injury. This is evidenced by: <ul style="list-style-type: none"> – Visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in that eye; or – 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. > Loss of hearing in one ear means the <i>life assured</i>, 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 must be total and permanent. > Loss of one limb means the <i>life assured</i>, as a result of sickness or injury, permanently loses the entire use of one <i>limb</i>.
<p>5</p>	<ul style="list-style-type: none"> > Serious burns means tissue injury caused by thermal, electrical or chemical agents causing third degree burns to: <ul style="list-style-type: none"> – greater than 1% and less than 9% of the body surface area as measured by The Rule of 9 or the Lund and Browder Body Surface Chart; or – both hands, requiring surgical debridement and grafting; or – the face, requiring surgical debridement and grafting.

30. Schedule of categories – other health *conditions*

Severity
Level

Conditions

1

- > **Chronic liver failure** means the *life assured* suffers end-stage liver failure as evidenced by:
 - Permanent jaundice; or
 - Ascites; or
 - Encephalopathy.
- > **Chronic lung failure** means the *life assured* has irreversible chronic lung disease as confirmed by a *registered medical specialist* on the basis of respiratory function tests and which satisfies any of the following criteria:
 - Type 1 respiratory failure defined as O₂ <60mm hg;
 - Type 2 respiratory failure defined as CO₂ >45mm hg;
 - the provision of home oxygen therapy according to clinical practice guidelines for hypoxia O₂ <55mm hg (or 60mm hg in the presence of pulmonary hypertension);
 - FEV₁ <35% predicted;
 - 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 kidney failure** means 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.
- > **Primary pulmonary hypertension** means the presence of irreversible raised pressure in the pulmonary arteries. The measurement reported must be the average level measured by cardiac catheterisation and be at least 30mmHG (mm of mercury) at rest. There must also be right ventricular dilatation and hypertrophy on echocardiogram with characteristic ECG changes.
- > **Advanced Type 1 diabetes** means the *life assured* has suffered at least two of the following complications as a direct result of Type 1 diabetes as confirmed by an appropriate *specialist*:
 - Nephropathy requiring regular dialysis or a kidney transplant.
 - Proliferative retinopathy.
 - Peripheral vascular disease leading to chronic infection or gangrene, requiring a surgical procedure.
 - Neuropathy including:
 - irreversible autonomic neuropathy resulting in postural hypotension, and/or motility problems in the gut with intractable diarrhoea or,
 - polyneuropathy leading to severe mobility problems due to sensory and/or motor deficits.
- > **Advanced AIDS** means 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.

	<p>> Severe illness or injury means the <i>life assured</i> suffers a medical condition that does not satisfy any condition leading to a claim under this policy and it is deemed <i>medically necessary</i> to:</p> <ul style="list-style-type: none"> – undergo <i>major invasive surgery</i>; or – be treated using <i>major interventional treatment</i>; <p>which results in:</p> <ul style="list-style-type: none"> – a stay in an intensive care unit for a period greater than 48 continuous hours; or – a stay in a <i>high dependency unit</i> for a period greater than 96 continuous hours; <p>and unable to perform at least one <i>basic activity of daily living</i> for a continuous period of 90 days from being discharged from hospital as certified by a registered medical <i>specialist</i>.</p> <p>A medical condition arising from alcohol or drug abuse or other self-inflicted means is specifically excluded.</p> <p>This benefit does not apply to any condition specifically excluded in this policy or where an underwriting exclusion has been applied.</p>
<p>2</p>	<p>> Stage 4 Chronic Obstructive Pulmonary Disease (COPD) means a disease of the airways of the lung causing obstruction to the exhalation of air. There must be permanent and irreversible reduction of the maximum volume of air expelled in one second (FEV1) of 30% or less of predicted. There must be permanent and irreversible obstruction to airflow demonstrated by a FEV1/ FVC ratio of less than 50% and there must be less than 5% variation in three repeated measurements, (which must be performed under the direction of a <i>specialist</i> respiratory physician) whilst on optimal therapy. They must be measured in a respiratory laboratory, which has regular quality control audits available to Sovereign. These measurements must be repeated after an interval of at least three months and must also satisfy the criteria mentioned above for a claim to be considered.</p> <p>> Major organ transplant (or Transplant waiting list) means the <i>life assured</i> 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:</p> <ul style="list-style-type: none"> – Kidney – Heart – Lung – Liver – Pancreas – Intestine <p>The transplant of all other organs or parts of any organ or any other tissue or stem cell transplant is excluded.</p> <p>The transplant must be considered <i>medically necessary</i> and the condition affecting the organ deemed untreatable by any means other than organ transplant, as confirmed by a relevant medical <i>specialist</i>.</p> <p>> HIV - Infection with the Human Immunodeficiency Virus (HIV) must have been acquired by <i>accident</i> or violence during the course of the <i>life assured's</i> 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. <i>You</i> must prove this to Sovereign's satisfaction. Sero-conversion to the HIV infection must occur within six (6) months of the <i>accident</i>. 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 <i>appendix</i>.</p> <p>> Any incident giving rise to a potential claim must be reported to Sovereign within 30 days of the incident and be supported by a negative HIV Antibody Test taken within 7 days after the incident. Sovereign may decline <i>your</i> claim if Sovereign is not given access to independently test all blood samples used, if Sovereign requires, or if the <i>life assured</i> does not allow Sovereign to take further independent blood tests.</p>
<p>3</p>	<p>> Acute renal dialysis means undergoing more than two treatments of haemodialysis over a three week period or a cumulative total of more than 24 hours haemofiltration due to a rapid decline of</p>

renal function leading to renal failure.

- > **Stage 3 Chronic Obstructive Pulmonary Disease (COPD)** means a disease of the airways of the lung causing obstruction to the exhalation of air. There must be permanent and irreversible reduction of the maximum volume of air expelled in one second (FEV1) of between 31% and 49% of predicted. There must be permanent and irreversible obstruction to airflow demonstrated by a FEV1/ FVC ratio of less than 50% and there must be less than 5% variation in three repeated measurements, (which must be performed under the direction of a *specialist* respiratory physician) whilst on optimal therapy. They must be measured in a respiratory laboratory, which has regular quality control audits available to Sovereign. These measurements must be repeated after an interval of at least three months and must also satisfy the criteria mentioned above for a claim to be considered.
- > **Removal of large bowel** means that the *life assured* has undergone a surgical procedure to remove the entire large bowel.
- > **Pneumonectomy** means the undergoing of surgery to remove an entire lung. The treatment must be considered *medically necessary* by a relevant medical *specialist*.
- > **Systemic sclerosis** means an unequivocal diagnosis of systemic sclerosis by a relevant medical *specialist*, 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.
- > **Systemic lupus erythematosus** means that the *life assured* has been unequivocally diagnosed by a relevant medical *specialist* with systemic lupus erythematosus in the clinical setting, evidenced by the presence of any four or more of the following eleven 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 two (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 six (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.

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 World Health Organisation (WHO) classification of lupus nephritis and be associated with persisting proteinuria (more than 2+).

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- > **Severe ulcerative colitis** means diagnosis of ulcerative colitis that requires permanent immunosuppressive medication.
- > **Severe Crohn's disease** means diagnosis of Crohn's disease that requires permanent immunosuppressive medication.
- > **Severe osteoporosis** means that the *life assured* before the age of 50 has been unequivocally

Severity Level

Conditions

5	<p>diagnosed by an appropriate <i>specialist</i> as suffering from severe osteoporosis. The diagnosis must confirm that the <i>life assured</i>:</p> <ul style="list-style-type: none"> – Suffers at least two vertebral body fractures or a fracture of the neck or 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). – An exclusion applies in cases where there are spontaneous fractures or minimal traumas that are due to an <i>accident</i> but where coincidental osteoporosis exists. <p>> Severe rheumatoid arthritis means that the <i>life assured</i> before age 50 has been unequivocally diagnosed by an appropriate <i>specialist</i> as suffering from severe rheumatoid arthritis for at least six weeks, which affects at least three or more of the following joints:</p> <ul style="list-style-type: none"> – Metacarpophalangeal joints in the hands; – Proximal interphalangeal joints in the hands; and – Metatarsophalangeal joints in the wrist, elbow, foot, knee, or ankle. <p>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:</p> <ul style="list-style-type: none"> – Simultaneous bilateral and symmetrical joint soft tissue swelling or fluid; – Joint deformity typical of rheumatoid arthritis; – Rheumatoid nodules beneath the skin; or – X-ray imaging showing erosion to joints typical of rheumatoid arthritis. <p>Degenerative osteoarthritis and all other arthritides are excluded.</p> <p>> Type 1 diabetes means a definite diagnosis with total insulin deficiency and continuous dependence on exogenous insulin for survival. Dependence on insulin must persist for a continuous period of at least three months.</p> <p>> Advanced Type 2 Diabetes means that the <i>life assured</i> suffers severe diabetes mellitus, either insulin or non-insulin dependent, as certified by an appropriate <i>specialist</i> and resulting in at least one of the following:</p> <ul style="list-style-type: none"> - Severe diabetic retinopathy resulting in visual acuity uncorrected and corrected of 6/36 or worse in both eyes; or - Severe diabetic neuropathy causing motor and/or autonomic impairment; or - Diabetic gangrene leading to surgical intervention; or - Severe diabetic nephropathy causing chronic irreversible stage 4 renal impairment. <p>> Severe osteoporosis means that the <i>life assured</i> after the age of 50 has been unequivocally diagnosed by an appropriate <i>specialist</i> as suffering from severe osteoporosis. The diagnosis must confirm that the <i>life assured</i>:</p> <ul style="list-style-type: none"> – Suffers at least two vertebral body fractures or a fracture of the neck or 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). – An exclusion applies in cases where there are spontaneous fractures or minimal traumas that are due to an <i>accident</i> but where coincidental osteoporosis exists. <p>The maximum amount payable for severe osteoporosis diagnosed after the age of 50 is \$10,000.</p>
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**Severity
Level**

Conditions

- > **Severe rheumatoid arthritis** means that the *life assured* after the age of 50 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; and
 - 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; or
 - X-ray imaging showing erosion to joints typical of rheumatoid arthritis.
- Degenerative osteoarthritis and all other arthritides are excluded.
- The maximum amount payable for severe rheumatoid arthritis diagnosed after the age of 50 is \$10,000.

31. 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 hare lip alone.

Down’s syndrome

A genetic disorder caused by trisomy of chromosome twenty one. 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.

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*.

SAMPLE