

REAL Business Total & Permanent Disability



THE REAL LIFE
COMPANY

What is it?

REAL Business Total and Permanent Disability (TPD) is an occupation-rated cover providing a lump sum payment of up to \$5m if you are permanently disabled due to illness or accident and are unlikely to work again.

Why do I need it?

If a permanent disability as a result of an illness or accident prevents you from working, how would you manage with no income? REAL Business TPD will help you fund payments such as:

- Lost /future income.
- Business debt payments.
- Major business interruption.
- Succession planning.
- Ownership buy-out agreements.

Main benefits

Policy options

- Depending on your line of work, your policy may be based on 'Own Occupation' or 'Any Occupation' for which you are suitably qualified.
- You may choose this cover to be stand-alone or accelerated with your REAL Business Life Cover. If accelerated your life cover sum assured would be reduced by the amount of a REAL Business TPD claim, with an associated reduction in premiums.

Guaranteed renewable to age 65 or 70 years

Provided the premiums are paid.

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Ideal for people who are:

Concerned about covering future expenses, should a permanent disability preclude them from working and earning a living.

REAL Business Total & Permanent Disability Cover Yearly Renewable Term (YRT)

Gives you the flexibility to pay for cover you need now.

Premiums are based on your current age, with increases each year.

REAL Business Total & Permanent Disability Cover Level

Gives you certainty and long-term affordability with a structure that provides level premiums for the term selected. Premiums are guaranteed not to change in the first 3 years.

Key features



Indexation Adjusted Option (Level Premium only)

Your cover will increase each year based on the indexation percentage selected, your premiums will remain the same. Indexation options: 0%, 1%, 2%, 3%, 4% or 5%.



Business Increase Option - When your business grows because of a change in business valuation or an increase in the business debt, by selecting Business Increase Option, you can increase your cover without any additional medical underwriting.



Partial Disability Benefit - payable under certain circumstances such as loss of sight in one eye, or loss of use of one hand or one foot. The lesser of 25% of sum assured or \$75,000.



Built-in Benefits

Policy options

- Depending on your line of work, your policy may be based on 'Own Occupation' or 'Any Occupation' for which you are suitably qualified.
- You may choose this cover to be stand-alone or accelerated with your REAL Business Life Cover. If accelerated your Life Cover sum assured would be reduced by the amount of a REAL Business TPD claim, with an associated reduction in premiums.

Business Increase Option

When your business grows because of a change in business valuation or an increase in the business debt, by selecting Business Increase Option, you can increase your cover without any additional medical underwriting.

Assistance Benefit

A payment of \$7,500 may apply, for covering the cost of specialist equipment or house alterations.

Partial Disability Benefit

Payable under certain circumstances such as loss of sight in one eye, or loss of use of one hand or one foot. The lesser of 25% of sum assured or \$75,000.

Guaranteed Passback of Enhancements

If we make improvements in the future that do not impact your premiums, these improvements will apply to your policy from the date of the change.

Interim Accidental Death Benefit

Up to \$200,000 is payable in the event of accidental death before your REAL Business TPD Cover application is processed.

Financial Planning and Legal Benefit

We will pay an additional \$750 in the event of a full TPD Benefit payment to the Policy Owner, so you can seek Financial Planning and/or legal advice.

Guaranteed Renewable to age 65 or 70 years

Provided your premiums are paid.

Optional features

Inflation Adjusted Benefit (YRT Only)

You may choose to increase your sum assured annually in accordance with the consumer price index (CPI) increase.

Indexation Adjusted Benefit (Level Premium only)

Your cover will increase each year based on the indexation percentage selected, your premiums will remain the same. Indexation options: 0%, 1%, 2%, 3%, 4% or 5%.

Waiver of Premium Option

If you are totally disabled and cannot work, you pay no premiums after a wait period of your choice: 4, 8, 13, 26, 52 or 104 weeks.

Buyback Life Cover

If your REAL Business TPD Cover is accelerated to REAL Business Life Cover and the life cover sum has been reduced due to a claim, you can reinstate the full amount after 12 months.

At the end of **June 2010, 93,959** working-age people (aged 18–64 years) were receiving the **Supported Living Payment Benefit**.

Source: Ministry of Social Development, National Factsheet June 2015

The most common cause of disability for adults was **disease or illness with 42%**. For children, the most common cause was a **condition** that existed **at birth with 49%**.

Source: Statistics NZ 2013 census



14 day cooling off period

If the cover is not what you expected or you change your mind, you can cancel your policy and we will refund any premiums paid.

When can a TPD claim be made?

A claim may be made under any of the following conditions:

- A three month absence from employment, and unlikely to ever work again.
- Absence requirement is waived for certain medical conditions.
- Loss of use of limbs (both hands, both feet, or one hand and one foot).
- Significant cognitive impairment (as in dementia-type illnesses).
- For policies renewable to age 70 years, the definition of 'total and permanent disability' for ages 66 -70 years is based on the Activities of Daily Living.

- Permanently unable to perform two of the 'Activities of Daily Living' without someone else's physical help, which include:

- Bathing
- Dressing
- Toileting
- Mobility
- Eating

Case study

Forty-two year old Tama was driving his taxi when a bus hit him head on. The ensuing collision left Tama with a serious head injury. After two surgeries Tama was left with a significant permanent disability and an ongoing need for medical care. He was unable to return to his taxi job. Because he had REAL Business Total and Permanent Disability Cover, he was able to make a claim that provided him with the funds necessary to help him plan for a new future.

In **2013, 24%** of New Zealanders **were disabled.**

Source: Statistics New Zealand; The New Zealand Disability Survey 2013

99% of Supported Living Payment recipients have been receiving a benefit continuously for **more than one year.** This is due to the chronic nature of their **condition or disability.**

Source: Ministry of Social Development, National Factsheet June 2015



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Life

Disability

Health

Trauma

Income

Mortgage, Income and Rent

At a glance

Qualifying Age

16 - 59 years*

Expiry Age

Renewable to age 65 or 70 years

Benefit Type

Lump sum payment

Cover Amounts

Max up to \$5m

Premium Options

Yearly Renewable Term

Level up to age 65 or 70 (Premiums are guaranteed for 3 years). Minimum Term 10 years.

Inflation Adjusted Benefit (VRT only)

Optional

Indexation Adjusted Benefit (Level only)

Optional

Wait period (Total and Permanent Disability)

Absence from employment stand down period of 3 months.

Worldwide Cover

Yes

Why AIA New Zealand?



AIA New Zealand Financial Strength Rating

AIA International Limited, trading as AIA New Zealand, has a current insurer financial strength rating of **AA- (Very Strong)** from Standard & Poor's. A summary of Standard & Poor's rating scale is:

AAA – Extremely Strong **AA – Very Strong** A – Strong BBB – Good BB – Marginal B – Weak CCC – Very Weak CC – Extremely Weak R – Regulatory Action D – Default NR – Not Rated

Plus (+) or Minus (-): The rating from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standings within the major rating categories.

*Individual consideration will be given to ages outside this range

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