

# ▶ LIFE COVER

## *Term life insurance*



### AT A GLANCE

- ▶ A lump sum cash amount payable on death.
- ▶ The cover has no savings component.
- ▶ The cover comes with some important options at no additional cost. You can also add other options for which you will pay an additional premium.

### WHY YOU NEED IT

Every day you face a wide range of risks to your personal wellbeing and lifestyle. Life cover helps you minimise the financial impact of death or terminal illness on your family or business.

Life Cover provides security for a wide range of financial commitments by paying a lump sum on your death. This essential form of protection is used for a variety of purposes:

- ▶ Mortgage commitments
- ▶ Personal debt, such as loans or credit cards
- ▶ Security for business obligations
- ▶ Provide a lump sum to fund your family's future lifestyle in the event of your death

If you have debts which you would like paid on your death, or want to create a capital lump sum that your family can draw upon to meet their needs, then life assurance is an essential part of your financial planning.

### KEY FACTS

#### Ages

- ▶ You can establish this cover from age 16 to age 74

#### Level of cover

- ▶ No maximum level of cover, but normal medical and financial underwriting applies.
- ▶ You can 'inflation proof' your cover by increasing it each year in line with the Consumer Price Index.

#### Premiums

- ▶ Payable fortnightly, monthly, half-yearly or annually.
- ▶ Premiums are fixed for one year at a time and will normally increase annually in line with age.
- ▶ A level premium option is available.

### STANDARD BENEFITS – automatically included

#### Life cover

You are insured for life – there is no expiry age. The only exclusion is where the cause of death is suicide within the first thirteen months of the policy start date or its reinstatement.

#### Terminal illness

If you are diagnosed as terminally ill and are expected to die within 12 months, you can apply for payment of the sum insured. The maximum payable is \$750,000. If the life cover is greater than the maximum terminal illness benefit, we will pay the balance of the life cover upon death.

A terminal illness booster benefit is available at an extra cost – see over for details.

#### Death by accident during application period

Should you die as a result of an accident in the first 60 days while your proposal is being processed and prior to it being accepted, we will pay the proposed sum insured (up to a maximum of \$500,000), provided we have received a deposit premium or signed direct debit or wage deduction authority.

#### Premium Holiday Option

You may opt to suspend cover and premiums in the event of redundancy, bankruptcy, tertiary studies, overseas travel or any other reasonable event. Cover can be reinstated without evidence of health within one year from the start of this option. The maximum sum assured under this option is \$300,000. The Premium Holiday option may be exercised once in the lifetime of the policy.

#### Inflation indexation

You can choose to have your policy indexed to inflation annually, regardless of health. Each year we will advise the level of indexation, which you can choose to accept or decline. The maximum increase is the lesser of \$150,000 or 15% of the sum insured.

**SPECIAL FEATURES include**

- ▶ A discount for large sums assured in the first five years. If your life cover is \$1million or higher, you will receive a 10% discount. If your life cover is \$500,000 or more but less than \$1million the discount is 5%.
- ▶ A loyalty discount from year six onward, irrespective of the sum insured.
- ▶ Future Insurability under age 55 – cover may be increased without evidence of health upon marriage, birth of a child, at certain ages, effecting a first mortgage or increase in value of your business.

**OPTIONAL BENEFITS**

**Add other insurance covers**

You can also add the following benefits to your plan

- ▶ Total & Permanent Disability – provides financial protection against permanent long-term disability, with a lump-sum payment
- ▶ Critical Care – a lump-sum payment if you suffer a specified trauma (13 conditions for basic, 35 for extended, and 35 for extended TPD).
- ▶ Life Care – up to five critical events at 21% of the usual Critical Care premium
- ▶ Income Protection – protecting your greatest asset – your ability to earn an income
- ▶ Family Income Plan – pays a regular income to your dependents on your death

A separate fact sheet is available for each of the above options.

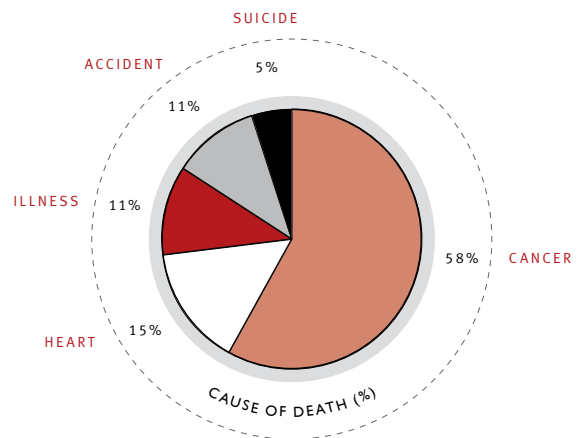
- ▶ Terminal Illness Booster – can be added to your life cover at an extra cost. The benefit amount is up to 25% of the life cover to a maximum of \$500,000. You must apply for this benefit prior to age 60. The Terminal Illness Booster benefit ceases at age 65.
- ▶ Waiver of Premium – your cover will continue if you are unable to pay your premium through disability. This benefit ceases at age 65.

**SOME INTERESTING FACTS**

**Fidelity Life's recent claims statistics show that:**

- ▶ Of death claims, 18% were for women and 82% were for men.
- ▶ The average age of our illness-related death claims was 50 for women and 58 for men.
- ▶ All terminal illness claims were for cancer – 80% of terminal illness claims for women were for breast cancer.

**Causes of death from July 2004 to June 2005**



Important note about this Fact Sheet - This Fact Sheet is a convenient summary of the key points of this insurance policy. It is not, and is not intended to be, a policy document. Details of definitions, benefits, terms and conditions are contained in the official policy document which is available from your financial adviser. You should read the policy document carefully to make sure you understand exactly what cover is provided under each benefit.



Fidelity Life first achieved its 4-star Morningstar rating in April 2004. Morningstar is the independent international provider of investment product information.

FIDELITY LIFE ASSURANCE COMPANY LIMITED HAS AN

**A-** (EXCELLENT) RATING

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