



**PPS Mutual
Professionals' Choice**

Life Cover

Cover terms

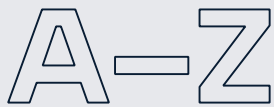


MUTUAL
FOR PROFESSIONALS

Introduction

This Life Cover provides a lump sum payment if the ***life insured*** dies or is diagnosed with a ***terminal illness***.

These ***cover terms*** are a key part of our agreement with you. They explain how the Life Cover operates. For a complete understanding, read them alongside your ***PPS Mutual*** General Terms and Conditions document and ***policy schedule***. The ***policy schedule*** outlines the ***cover types, acceptance terms***, the ***sum insured***, and optional benefits and features that you have chosen for each ***life insured***.



For any terms shown in both bold and italics (***like this***), refer to the glossary at the end of the ***PPS Mutual*** General Terms and Conditions document for the specific meanings.

Main benefits

This section is your guide to understanding the claim payments available under your Cover.

The Life Cover **sum insured** will be reduced by any payment made under the:

- Death Benefit; or
- Terminal Illness Benefit; or
- Terminal Illness Advance Benefit; or
- Non-Survivable Accident Benefit; or
- Bereavement Support Benefit; or
- any Accelerated benefit that is linked to the **life insured's** Life Cover, as shown on the **policy schedule**. For example, Trauma Cover Accelerated or Total and Permanent Disablement Accelerated.



1.

Death Benefit

If a **life insured** has died, **PPS Mutual** will pay the Life Cover **sum insured**.

2.

Terminal Illness Benefit

If the **life insured** is diagnosed with a **terminal illness**, **PPS Mutual** will pay the Life Cover **sum insured**.

3.

Terminal Illness Advance Benefit

If the **life insured** is diagnosed with a specific Terminal Illness Advanced **condition** by a **specialist**, **PPS Mutual** will pay the lesser of fifty percent (50%) of the Life Cover **sum insured** or \$600,000.

A specific Terminal Illness Advanced **condition** is any **condition** where the **life insured** has been diagnosed with a progressive **illness** which has been diagnosed as terminal by a **specialist** and for which a **specialist** has confirmed in writing that the **life insured**'s life expectancy would more likely than not be less than twenty-four (24) months even if the **life insured** were to receive all reasonable treatment.

In addition, **PPS Mutual** maintains a list of specific Terminal Illness Advanced **conditions** which are deemed to meet the criteria for a Terminal Illness Advanced **condition**. At the **date of commencement** for your **policy**, these include:

- motor neurone disease; or
- stage 3 or 4 exocrine pancreatic cancer; or
- stage 4 non-small cell lung cancer; or
- stage 4 distal oesophageal cancer.

PPS Mutual reserves the right to alter this list of conditions if a **condition** becomes curable or there is a material improvement in the life expectancy for the **condition**. **PPS Mutual** will give thirty (30) days' notice before any change takes effect, and the change will not apply to any claims with a **claim event date** occurring prior to the effective date of the change.

4.

Non-Survivable Accident Benefit

If the **life insured** suffers an **accident** and a **specialist** confirms in writing that the **life insured**'s life expectancy would more likely than not be less than three (3) months because of an **injury** sustained from the **accident**, even if the **life insured** were to receive all reasonable treatment, **PPS Mutual** will pay the Life Cover **sum insured**.

5.

Bereavement Support Benefit

Upon receiving satisfactory evidence that the **life insured** has died, **PPS Mutual** will pay the Bereavement Support Benefit as an early payment of the Death Benefit. The maximum total benefit amount is the lesser of the Life Cover **sum insured** or \$25,000 across all **PPS Mutual policies**.



Additional benefits

Your Life Cover comes with the following additional built-in benefits that are paid in addition to the Life Cover **sum insured**.

1.

Child Funeral Benefit

If a **dependent child** of the **life insured** has died, **PPS Mutual** will pay the Child Funeral Benefit.

Subject to the provisions below, **PPS Mutual** will pay the Child Funeral Benefit to the **policy owners** or, if that is prohibited by New Zealand law, to the **life insured**. The amount payable under the Child Funeral Benefit is:

- \$15,000 if the **dependent child** dies aged ten (10) years or over; or
- \$2,000 less any other amounts payable in respect of the death of that **dependent child**, if the **dependent child** dies aged under ten (10) years.

For a **dependent child** aged under ten (10) years, **PPS Mutual** will only make one (1) payment per **dependent child** under the Child Funeral Benefit across all **PPS Mutual policies** irrespective of how many parents are a **life insured**.

For a dependent child aged ten (10) years or older, **PPS Mutual** will make one (1) payment per **dependent child** under the Child Funeral Benefit across all **PPS Mutual policies** for each parent who is a **life insured**.

2.

Professional Advice Benefit

If **PPS Mutual** pays you a benefit for a **life insured** under this Cover, then we will pay you the Professional Advice Benefit to cover associated professional advice fees that you may incur.

The maximum total benefit amount is \$3,000 across all **PPS Mutual policies** for each **life insured**.

3.

Return to Home Benefit

If **PPS Mutual** pays a benefit under this Cover for a **life insured** while the **life insured** is living outside of New Zealand for three (3) or more continuous months and the **life insured** subsequently returns to New Zealand, then **PPS Mutual** will reimburse you for the cost of a one-way flight to New Zealand for the **life insured** and one (1) support person.

The maximum total benefit amount is \$10,000 per **life insured** across all **PPS Mutual policies**.

To claim the Return to Home Benefit, you must provide **PPS Mutual** with satisfactory evidence for the costs of the one-way flight.

4.

Counselling Benefit

If **PPS Mutual** pays a benefit under this Cover, then we will reimburse the fees paid to a psychiatrist, psychologist or counsellor for services provided to the **life insured** or an **immediate family** member of the **life insured** within twelve (12) months of the payment of the benefit.

The maximum total benefit amount is \$3,000 across all **PPS Mutual policies** for each **life insured**.

To claim the Counselling Benefit, you must provide **PPS Mutual** with satisfactory evidence of the fees paid. **PPS Mutual** will reimburse the person who paid the fees for the services provided.

5.

Accommodation and Transport Costs Benefit

PPS Mutual will pay a benefit of \$3,000 if the **life insured**:

- is diagnosed with a **terminal illness**; or
- is diagnosed with a Terminal Illness Advanced **condition**; or
- is diagnosed with a Severe Illness Covered **condition** (if the **life insured** has the Optional Severe Illness Booster Benefit, as shown in the **policy schedule**); or
- suffers a Non-Survivable Accident,

and receives treatment at least one-hundred (100) kilometres away from their main home.

This benefit is paid once per **life insured** across all **PPS Mutual policies**.

Payment under this benefit is subject to the following conditions:

- the applicable treatment must be performed within six (6) months of the diagnosis of the applicable **condition**; and
- you must provide **PPS Mutual** with satisfactory evidence showing that treatment was performed at least one-hundred (100) kilometres away from the main home of the **life insured**.

6.

Repatriation Benefit

If the **life insured** dies outside New Zealand, then **PPS Mutual** will reimburse the costs of repatriating the **life insured**'s body from the country of death to New Zealand.

The maximum total benefit amount is the lesser of twenty-five percent (25%) of the Life Cover **sum insured** or \$20,000.

This benefit is paid once per **life insured** across all **PPS Mutual policies** and is reduced by any other claim payments you are entitled to receive in connection with repatriating the **life insured**'s body.

To claim the Repatriation Benefit, you must provide **PPS Mutual** with satisfactory evidence of repatriating the **life insured**'s body. If the **life insured** is the sole **policy owner**, then **PPS Mutual** will reimburse the person that has paid for the costs of repatriation.



Additional features

Your Life Cover comes with the following additional built-in features.

1.

Specified Life Event Increase Feature

The Specified Life Event Increase Feature may be used to increase the **life insured's** Life Cover **sum insured** after any of the following life events for the **life insured**:

- marriage or civil union; or
- divorce or legal separation; or
- death or **terminal illness** of a **spouse** of the **life insured**; or
- the birth, legal adoption, or legal guardianship of a **dependent child**; or
- taking on **full-time care** of an **immediate family** member; or
- the commencement for the first time of full-time tertiary education by a **dependent child**; or
- every fifth (5th) **policy anniversary**, provided that the Life Cover has been continuously held for the **life insured**; or
- increasing an existing residential mortgage, purchasing a new home or vacation home, bare block of land zoned as residential, purchasing a new residential investment property, or purchasing a **professional business premises**; or
- an increase in annual salary or **business** revenue of fifteen percent (15%) or more; or
- qualifying as a member, fellow or registrant of their professional body, becomes a partner in their organisation, establishes private practice, or buys an interest in a professional practice.

The maximum increase for each Specified Life Event Increase to the **life insured's** Life Cover **sum insured** across all **PPS Mutual policies** cannot exceed the lower of:

- twenty-five percent (25%) of the **underwritten** Life Cover **sum insured** for the **life insured**; or
- \$400,000.

The total of all increases made under this feature to the **life insured's** Life Cover **sum insured** across all **PPS Mutual policies** cannot exceed the lower of:

- one-hundred percent (100%) of the **underwritten** Life Cover **sum insured** for the **life insured** across all **PPS Mutual policies**; or
- \$800,000.

The Specified Life Event Increase Feature is subject to the following conditions:

- the feature must be exercised within one-hundred and eighty (180) days after the relevant event occurs; and

- the **life insured** must provide satisfactory evidence to **PPS Mutual** to verify the occurrence of the event; and
- the **acceptance terms** which applied to this Life Cover for the **life insured** will apply to increases under this feature.

Limitations

In the event of an increase to an existing residential mortgage or purchase of a new home or vacation home, bare block of land zoned as residential, new residential investment property or **professional business premises**, the individual Specified Life Event increase cannot exceed the amount of the applicable transaction.

In the event of an annual salary or **business** revenue increase, the individual increase cannot exceed five (5) times the applicable increase in salary or revenue.

PPS Mutual may not accept increases under this feature after the **policy anniversary** immediately following the life insured's sixtieth (60th) birthday or where the **life insured** has:

- previously been deferred an application for **cover** with **PPS Mutual**; or
- been diagnosed with a **terminal illness**; or
- been diagnosed with a Terminal Illness Advanced **condition**; or
- made a claim under any **PPS Mutual policy**.

2.

Specified Life Event Additional Cover Feature

The Specified Life Event Additional Cover Feature may be used to add Trauma Cover Accelerated for the **life insured** after any of the life events outlined in the Specified Life Event Increase Feature have happened for the **life insured**.

The Specified Life Event Additional Cover Feature is subject to the following conditions:

- the **sum insured** for the Trauma Cover Accelerated must not exceed the lesser of fifty percent (50%) of the **underwritten** Life Cover **sum insured** or \$100,000; and
- the feature must be exercised within one-hundred and eighty (180) days after the relevant life event occurs; and
- the Trauma Cover Accelerated will otherwise be subject to the **cover terms** in effect when the additional Trauma Cover Accelerated **cover** is issued by us; and
- this feature can be used once per **life insured** across all **PPS Mutual policies**; and
- the Trauma Cover **sum insured** for the **life insured** after using this feature cannot exceed \$3,000,000.

Limitations

PPS Mutual may not accept a request to exercise this feature after the **policy anniversary** immediately following the **life insured's** fiftieth (50th) birthday or where the **life insured** has:

- previously been deferred an application for Cover with **PPS Mutual**; or
- had any **acceptance terms** applied to this Life Cover for the **life insured**; or
- been diagnosed with a **terminal illness**; or
- been diagnosed with a Terminal Illness Advanced **condition**; or
- made a claim under any **PPS Mutual policy**.



Exclusions

PPS Mutual will not pay any claim under this Life Cover arising directly from an act performed by the **life insured** to themselves within thirteen (13) months of:

- the application date; or
- the date **PPS Mutual** accepted a voluntary increase in cover (only in respect of the increased sum insured); or
- the most recent reinstatement date (if this Life Cover has been reinstated after being cancelled due to outstanding **premiums**).

If the **life insured** replaced their life cover from another insurance company with this Life Cover and:

- the previous life cover was continuously in place for at least thirteen (13) months; and
- you provide evidence of the existence and cancellation of that previous life cover at the **date of commencement** of this **cover**;

then this exclusion will not apply up to the Life Cover **sum insured** amount which is equal to the sum insured under the replaced life cover.

Appendix A

Optional benefits

This appendix describes optional benefits available under this Life Cover. Only those optional benefits shown in the **policy schedule** for each **life insured** apply to your **policy**.

1.

Optional Severe Illness Booster Benefit

If the Optional Severe Illness Booster Benefit is shown in the **policy schedule** for a **life insured**, **PPS Mutual** will pay the Optional Severe Illness Booster Benefit **sum insured** if the **life insured** meets the criteria of one (1) of the Severe Illness Covered **conditions**, as defined below. The **life insured**'s Optional Severe Illness Booster Benefit will then cease.

Stand-down period on cancer and cardiovascular claims

If, within ninety (90) days following an applicable **application date** for the Optional Severe Illness Booster Benefit, the **life insured** is diagnosed with or shows any signs, symptoms or underlying causes of any covered advanced cancer **condition**, then **PPS Mutual** will not pay an Optional Severe Illness Booster Cancer benefit for the **life insured**.

Similarly, if within thirty (30) days following an applicable **application date** for the Optional Severe Illness Booster Benefit, the **life insured** is diagnosed with or shows any signs, symptoms or underlying causes of any covered severe cardiovascular illness **condition**, then **PPS Mutual** will not pay an Optional Severe Illness Booster Cardiovascular benefit for the **life insured**.

Survival period

PPS Mutual does not require a **life insured** to satisfy a specific survival period following the diagnosis of a Severe Illness **condition** provided that there was unequivocal evidence as confirmed in writing by a **specialist** that the **life insured** suffered the covered **condition**, and the diagnosis was made while the **life insured** was alive.

In other words, **PPS Mutual** will not accept a claim for a Severe Illness **condition** where the diagnosis was made posthumously.

Severe Illness Covered Condition Definitions

The diagnosis and confirmation of the **life insured** meeting a Severe Illness **condition** must be unequivocal and made by an appropriate **specialist**.

Advanced Cancer

The **life insured** is diagnosed with one of the following advanced Cancers:

- advanced cancer stage 3 or above based on the TNM classification; or
- stage 3 or above for lymphocytic leukaemia classified on the Rai Staging System; or
- stage 3 or above for Hodgkin's lymphoma or non-Hodgkin's lymphoma classified on the Ann-Arbor classification; or
- grade 3 or above for a malignant brain tumour based on the WHO grading system; or
- stage 3 or above for myeloma classified on the Durie Salmon scale; or
- chronic myeloid leukaemia requiring bone marrow transplant (whether performed or not); or
- acute lymphoblastic leukaemia; or
- aplastic anaemia, where the **life insured** has suffered the first occurrence of bone marrow failure which results in anaemia, neutropenia and thrombocytopenia, requiring treatment (whether performed or not) over a period of at least two (2) months with at least one (1) of the following:
 - blood product transfusion; or
 - marrow stimulating agents; or
 - immunosuppressive agents; or
 - bone marrow transplantation; or
 - haemopoietic stem cell transplantation.
- 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 (whether performed or not); or
- the **life insured** receiving reduced intensity conditioning bone marrow or autologous bone marrow or stem cell transplant specifically to treat cancer; or
- being on a transplant waiting list for the transplant of bone marrow specifically to treat cancer; or
- myelofibrosis.

For the purpose of this definition 'Cancer' is defined as the presence of one or more malignant tumours, which are characterised by the uncontrollable growth and spread of malignant cells and the invasion and destruction of normal tissue for which **major treatment** or **surgery** is considered **medically necessary** by a **specialist** (whether undertaken or not).

Severe Cardiovascular Illness

The **life insured**:

- is diagnosed with a heart attack (acute myocardial infarction) resulting in permanent and irreversible left ventricular ejection fraction of less than or equal to forty percent (40%) (based on two (2) measurements at least six (6) months apart) despite ongoing optimal therapy for a minimum of six (6) months, and significant and irreversible physical impairment to the degree of at least Class 3 of the New York Heart Association Functional Classification System of cardiac impairment; or

- undergoes coronary artery bypass graft **surgery**, either through an open-heart operation or through a 'key-hole' surgical technique, to correct or treat coronary artery disease; or
- is diagnosed with severe restriction of blood flow through the arteries below the knee as measured by an ankle brachial index (ABI) of less than or equal to 0.39 or ankle systolic pressure <50 mmHg or claudication distance of twenty (20) metres, resulting in amputation of the leg below the knee or higher.

Loss of Use and Burns

The **life insured** suffers:

- total and permanent **loss of use** of both hands or both feet; or
- permanent and irrecoverable loss of sight in both eyes, as evidenced by:
 - visual acuity of less than 6/36 in both eyes after correction; or
 - field of vision constricted to 20 degrees or less of arc in the better eye; or
 - a combination of irrecoverable visual defects resulting in the same degree of visual impairment as that occurring in the two bullet points above; or
- any combination of two (2) or more of the following:
 - the **loss of use** of a whole hand; and/or
 - the **loss of use** of a whole foot; and/or
 - permanent and irrecoverable loss of sight in one (1) eye, as evidenced by:
 - a. visual acuity of less than 6/36 in that eye; or
 - b. field of vision constricted to 20 degrees or less of arc in that eye; or
 - c. a combination of irrecoverable visual defects resulting in the same degree of visual impairment as that occurring in (a) or (b); or
- **burns** to:
 - twenty percent (20%) or more of the total body surface area; or
 - twenty-five (25%) of the face,
 measured by one of the following:
 - a. Lund-Browder Chart; or
 - b. Rule of Nines.

Limitations

The **life insured** must undergo reasonable **medical treatment** at their own expense, which their medical **specialist** considers necessary to address their incapacity.

Loss of sight due to cataracts is excluded.

Permanent Severe Neurological or Cognitive Impairment

The **life insured** experiences permanent cognitive decline or a neurological deficit resulting from:

- an **injury** or **illness** to the head or nervous system resulting in:
 - disorientation in time and place and a Mini-mental score of less than twenty (20) out of thirty (30) or an equivalent level of impairment under an equivalent test; or
 - the total and irreversible inability to perform at least one (1) of the **activities of daily living** without the assistance of another adult.
- a diagnosis of idiopathic Parkinson's Disease, Alzheimer's Disease, Dementia, or Motor Neurone Disease that cannot be controlled by medication and showing signs of progressive impairment; or
- a diagnosis of multiple sclerosis. There must be more than one (1) episode of well-defined neurological deficit with persisting neurological abnormalities evidenced by neurological investigations that support the diagnosis, such as lumbar puncture abnormalities, evoked visual responses, evoked auditory responses, or **MRI** showing evidence of lesions in the central nervous system. Clinically isolated syndromes are excluded.

Terminal illness

The **life insured** is diagnosed with a **terminal illness**.

Appendix B

Optional features

This appendix describes optional features available under Life Cover. Only those optional features shown in the **policy schedule** for each **life insured** apply to your **policy**.

1.

Optional Business Insurability Feature

The Optional Business Insurability Feature may be used to increase the **life insured's** Life Cover **sum insured** after one of the following:

- the **business** gross profit has increased; or
- the **life insured's** ownership interests in the **business** increases through an increase in shareholding; or
- the **business** debt has increased; or
- a **business** valuation has been completed showing an increase in the **business** value.

To use this feature, you must provide **PPS Mutual** with appropriate **business** financial information to support an increase in the **sum insured**. **PPS Mutual** will determine the justifiable increase in the **sum insured** based on **PPS Mutual's** current financial underwriting guidelines.

The total **sum insured** for a **life insured** following increases made under this feature is limited to the maximum allowable **sum insured** for this feature as shown in the **policy schedule**. The **sum insured** for this feature is subject to the same sum insured adjustment option selected for the Life Cover.

Limitations

The following limitations apply to increases under this feature:

- you must request the increase within six (6) months after the applicable financial event; and
- the feature will expire on the **policy anniversary** following the **life insured's** sixtieth (60th) birthday; and
- you cannot exercise an increase under this feature and the Specified Life Event Increase Feature resulting from the same event; and
- you cannot exercise an increase under this feature if a claim has been paid for the **life insured** under this **PPS Mutual** Life Cover; and
- the **acceptance terms** which applied to this Life Cover for the **life insured** will apply to increases under this feature.

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