



**PPS Mutual
Professionals' Choice**

Total and Permanent Disablement Cover

Cover terms



MUTUAL
FOR PROFESSIONALS

Introduction

This Total and Permanent Disablement Cover provides a lump sum payment if the ***life insured*** suffers a Total and Permanent Disability or a Partial and Permanent Disability.

These ***cover terms*** are a key part of our agreement with you. They explain how the Total and Permanent Disablement 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***.

This Cover will cease on the ***policy anniversary*** following the ***life insured*** turning eighty (80) years old or following a Total and Permanent Disability Benefit claim. However, ***PPS Mutual*** will assess a claim for the ***life insured*** after the cessation of the Cover if the incapacity began while the Cover was in force.

Accelerated Cover

If the ***life insured*** has Total and Permanent Disablement Cover Accelerated noted on the ***policy schedule***, the Total and Permanent Disablement Cover Accelerated is linked to a specific Life Cover, as shown on the ***policy schedule***. Accordingly, the Total and Permanent Disablement Cover Accelerated ***sum insured*** cannot exceed that linked Life Cover ***sum insured***.

Any claim payment made under Total and Permanent Disablement Cover Accelerated Main Benefits will automatically reduce the ***life insured's*** Life Cover ***sum insured*** by the amount paid. The Total and Permanent Disablement Cover Accelerated will cease once:

- the full Total and Permanent Disablement Cover ***sum insured*** has been paid; or
- the ***life insured's*** linked Life Cover ***sum insured*** has been reduced to nil.

A–Z

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.

If the **life insured** suffers a Total and Permanent Disability or Partial and Permanent Disability (as described below), then **PPS Mutual** will pay the applicable Total and Permanent Disablement Cover benefit.



1.

Total and Permanent Disability Benefit

PPS Mutual will pay the Total and Permanent Disablement Cover **sum insured** if the **life insured** meets the criteria of being totally and permanently disabled, as defined under the:

1. Occupational definition; or
2. Total and permanent loss of use definition; or
3. Daily living definition; or
4. Cancer definition; or
5. Cardiovascular and stroke definition; or
6. Neurological definition.

To be assessed as totally and permanently disabled, the **life insured** must undergo reasonable **medical treatment** at their own expense, which their medical **specialist** considers **medically necessary** to address their incapacity.

In addition, the **life insured** must survive for ninety (90) days from the date of incapacity. **PPS Mutual** will waive the ninety (90) day waiting period when assessing a Total and Permanent Disability claim if:

- in **PPS Mutual's** opinion, the **life insured** has met all other requirements for payment of a Total and Permanent Disability Benefit; and
- **PPS Mutual** expects the **life insured** to survive beyond ninety (90) days after the incapacity began; and
- the **life insured** meets the criteria of being totally and permanently disabled as defined under the:

- Cancer definition; or
- Cardiovascular and stroke definition; or
- Neurological definition.

Occupational definition

PPS Mutual will consider a **life insured** to be totally and permanently disabled if:

- the **life insured** is completely incapacitated and unable to perform their **usual occupation** for ninety (90) consecutive days; and
- in **PPS Mutual's** reasonable opinion, following a review of the medical evidence and any other evidence **PPS Mutual** requires, the **life insured** has become so incapacitated that they are unlikely to ever be able to work in their **usual occupation** again.

Limitations

PPS Mutual will not assess the **life insured** under the Occupational Definition once the **life insured** reaches the **policy anniversary** after the age of seventy (70) unless the **life insured's** incapacity began prior to the **policy anniversary**.

Total and Permanent Loss of Use Definition

PPS Mutual will consider a **life insured** to be totally and permanently disabled if the **life insured** suffers the 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:
 - a. visual acuity of less than 6/36 in both eyes after correction; or
 - b. field of vision constricted to 20 degrees or less of arc in the better eye; or
 - c. a combination of irrecoverable visual defects resulting in the same degree of visual impairment as that occurring in (a) or (b).
- 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).

- permanent and irreversible loss of hearing in both ears to the extent that either:
 - the hearing loss, with and without the assistance of an external hearing aid is greater than 90 decibels across 0.5, 1, 2, 3 kHz frequencies; or
 - the hearing loss is greater than 90 decibels across all frequencies and a **specialist** has recommended the insertion of a cochlear implant.

Limitations

Loss of sight due to cataracts is excluded.

Daily Living Definition

PPS Mutual will consider a **life insured** to be totally and permanently disabled if after ninety (90) consecutive days following an **accident** or **illness** they are totally and irreversibly unable to perform:

- at least two (2) of the **activities of daily living** without assistance from another person; or
- at least one (1) of the **activities of daily living** and has permanent and irrecoverable cognitive impairment as evidenced by formal neuropsychological testing performed by a registered psychologist or psychiatrist, or assessment by an appropriate **specialist**; or
- at least three (3) of the **normal domestic duties** without the assistance of another person.

Cancer Definition

PPS Mutual will consider a **life insured** to be totally and permanently disabled if the **life insured** is unequivocally diagnosed by a **specialist** supported with appropriate evidence with the following advanced cancers:

- stage 3 or 4 exocrine pancreatic cancer; or
- stage 4 non-small cell lung cancer; or
- stage 4 distal oesophageal cancer; or
- stage 4 liver cancer; or
- stage 4 intrahepatic bile duct cancer; or
- glioblastoma multiforme (WHO grade 4).

Staging is based on the American Joint Committee on Cancer (AJCC)'s TNM staging classification system.

Cardiovascular and Stroke Definition

PPS Mutual will consider a **life insured** to be totally and permanently disabled if the **life insured** is unequivocally diagnosed by a **specialist** supported with appropriate evidence with one (1) of the following conditions:

- an acute myocardial infarction resulting in both of the following:
 - a. cardiogenic shock (based on Killip classification score 4) at the time of the event; and

- b. persistent left ventricular ejection fraction of less than thirty-five percent (35%) at four (4) weeks after the event despite optimal medical therapy.
- a stroke (based on the National Institutes of Health Stroke Score (NIHSS)), resulting in at least three (3) of the following:
 - a. global aphasia; and/or
 - b. severe dysarthria; and/or
 - c. monoplegia (total **loss of use** of one limb); and/or
 - d. complete unilateral facial paralysis; and/or
 - e. visual field defect (for example, hemianopia); and/or
 - f. forced gaze palsy; and/or
 - g. requiring intubation at the time of the event.

If the above criteria have not been met, the definition will be met if the stroke results in severe cognitive impairment as evidenced by a Mini-Mental State Examination (MMSE) score of less than or equal to 10 or equivalent severity as measured by a comparable validated cognitive assessment tool, persisting at four (4) weeks after the event.

Neurological Definition

PPS Mutual will consider a **life insured** to be totally and permanently disabled if the **life insured** is unequivocally diagnosed by a **specialist** supported with appropriate evidence with one (1) of the following conditions:

- Any of the following types of motor neurone disease:
 - a. amyotrophic lateral sclerosis (ALS); or
 - b. progressive muscular atrophy (PMA); or
 - c. primary lateral sclerosis (PLS); or
 - d. progressive bulbar palsy (PBP); or
 - e. flail arm (or leg) syndrome; or
 - f. ALS-plus syndrome.
- Any one of the following progressive neurodegenerative disorders characterised clinically by the presence of Parkinsonism:
 - a. idiopathic Parkinson's disease; or
 - b. progressive supranuclear palsy; or
 - c. dementia with Lewy bodies; or
 - d. multiple system atrophy; or
 - e. corticobasal degeneration.

Parkinsonism means the presence of both of the following:

- bradykinesia (slowness of movement plus a decrement in speed or progressive hesitations as movements are continued); and
- rigidity (extreme stiffness or resistance with passive movement of the major joints whilst in a relaxed position) or slow resting tremor (observed in a fully resting limb and suppressed when initiating movement).

Limitations

Drug induced Parkinsonism is excluded.

2.

Partial and Permanent Disability Benefit

PPS Mutual will pay the Partial and Permanent Disability Benefit if the **life insured** meets the criteria of one of the Functional Disability **conditions**, as defined below. **PPS Mutual** will pay fifty percent (50%) of the Total and Permanent Disablement Cover **sum insured** up to \$400,000 across all **PPS Mutual policies**.

PPS Mutual will only pay the Partial and Permanent Disability Benefit once for a **life insured**.

The Total and Permanent Disablement Cover **sum insured** will be reduced by any payment made under the Partial and Permanent Disability benefit.

Stand-down period on cancer and cardiovascular claims

If, within ninety (90) days following an applicable **application date** for **cover**, the **life insured** is diagnosed with or shows any signs, symptoms or underlying causes of any covered Cancer **condition**, then **PPS Mutual** will not pay a Partial and Permanent Disability Cancer benefit for the **life insured**.

Similarly, if within thirty (30) days following an applicable **application date** for **cover**, the **life insured** is diagnosed with or shows any signs, symptoms or underlying causes of any covered Cardiovascular **condition**, then **PPS Mutual** will not pay a Partial and Permanent Disability Cardiovascular benefit for the **life insured**.

Survival period

The **life insured** must survive for ninety (90) days following the **claim event date** for the Functional Disability **condition**. **PPS Mutual** will waive the ninety (90) day **waiting period** if **PPS Mutual** expects the **life insured** to survive beyond ninety (90) days.

Functional Disability Conditions

The diagnosis and confirmation of the **life insured** meeting a Functional Disability **condition** must be unequivocal, made in writing by an appropriate **specialist**, and accompanied with satisfactory evidence.

Advanced Cancer

The **life insured** is diagnosed with one of the following 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 (1) 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%) (two (2) measurements of 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.

Gastrointestinal

The **life insured** is diagnosed with a gastrointestinal disease resulting in the **life insured** having a Body Mass Index of less than 16kg/m² for a period of more than six (6) months.

Hearing

The **life insured** is diagnosed with permanent and irreversible loss of hearing in both ears to the extent that the hearing loss, with and without the assistance of an external hearing aid is greater than 80 decibels across 0.5, 1, 2, 3 kHz frequencies.

Musculoskeletal and Burns

The **life insured**:

- suffers the total and permanent **loss of use** of a hand, foot or limb; or
- requires **surgery** and implantation of prosthesis into the vertebra at three (3) or more levels to bring spinal stability and to relieve pain and pressure; or

Suffers **burns** to:

- twenty percent (20%) or more of the total body surface area; or
- twenty-five percent (25%) of the face; or
- fifty percent (50%) of the total combined area of both hands; or
- fifty percent (50%) of the total combined area of both feet,

measured by one (1) of the following:

- Lund-Browder Chart; or
- Rule of Nines

Neurological

The **life insured**:

- is diagnosed with idiopathic Parkinson's disease; or
- is diagnosed with Alzheimer's disease or dementia with a Mini Mental State Examination score of less than 24, or equivalent level of impairment under an equivalent test; or
- is diagnosed with multiple sclerosis with an Expanded Disability Status Scale (EDSS) of 3.0 or worse.

Renal

The **life insured** receives a diagnosis of persistent stage 4 chronic kidney failure with an estimated glomerular filtration rate (eGFR) of between 15–29mL/min/1.73 m² for six (6) consecutive months or longer.

Respiratory

The **life insured** is diagnosed with GOLD Stage 3 Chronic Obstructive Pulmonary Disease (COPD) and meets the criteria set out below.

The **life insured** must have permanent and irreversible reduction of the maximum volume of air expelled in one (1) second (FEV1) of 30% 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 (3) repeated measurements, whilst on optimal therapy.

They must be measured in a respiratory laboratory, which has regular quality control audits available to **PPS Mutual**. These measurements must be repeated after an interval of at least three (3) months and must also satisfy the criteria mentioned above for a claim to be considered.

Visual

The **life insured** suffers:

- permanent and irrecoverable loss of sight in both eyes, as evidenced by:
 - a. visual acuity of less than 6/24 in both eyes after correction due to a degenerative eye disease, which a **specialist** confirms that the **life insured**'s vision is likely to deteriorate further within the next twelve (12) months; or
 - b. field of vision constricted to 20 degrees or less of arc in the better eye; or
 - c. a combination of irrecoverable visual defects resulting in the same degree of visual impairment as that occurring in (a) or (b).
- permanent and irrecoverable loss of sight in one (1) eye, as evidenced by:

- a. visual acuity of less than 6/36 in one eye after correction; or
- b. field of vision constricted to 20 degrees or less of arc; or
- c. a combination of irrecoverable visual defects resulting in the same degree of visual impairment as that occurring in (a) or (b).

Or

The **life insured** receives a diagnosis of Homonymous Hemianopia.

Limitations

Loss of sight due to cataracts is excluded.



Additional benefits

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

Accelerated Cover

If the **life insured** has Total and Permanent Disablement Cover Accelerated noted on the **policy schedule**, any claim payments under these Additional Benefits will not reduce the **sum insured** for the **life insured** under their Total and Permanent Disablement Cover Accelerated or Life Cover.

1.

Total and Permanent Disablement Cover Premium Protector Benefit

If **PPS Mutual** pays you a claim for a Total and Permanent Disability Benefit or a Partial and Permanent Disability Benefit, we will apply a twelve (12) month **premium** credit to your **policy** from the **claim event date**.

The twelve (12) month **premium** credit is calculated using the monthly equivalent of the last **premium** charged for the **policy** prior to the **claim event date** and multiplying it by twelve (12).

If you or **PPS Mutual** cancel your **policy** before the **premium** credit has been fully utilised, **PPS Mutual** will pay you the outstanding value of the credit at the cancellation date.

If your **policy premiums** are being waived due to a Waiver of Premium Cover claim before the **premium** credit has been fully utilised, **PPS Mutual** will pay you the outstanding value of the credit after the **waiting period** has passed.

Limitations

PPS Mutual will not pay you the outstanding value of the **premium** credit if your **policy** is cancelled due to:

- your failure to comply with your duty of disclosure that is deliberate or reckless; or
- a dishonest or fraudulent claim or breach of this **policy**.

PPS Mutual will pay one (1) Total and Permanent Disablement Premium Protector Benefit for each claim event for the **life insured** across all Total and Permanent Disablement Covers on your **policy**.

2.

Professional Advice Benefit

If **PPS Mutual** pays you a Total and Permanent Disability or Partial and Permanent Disability Benefit, 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** for each **condition**.

3.

Return to Home Benefit

If **PPS Mutual** pays you a Total and Permanent Disability or Partial and Permanent Disability Benefit 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 you a Total and Permanent Disability or Partial and Permanent Disability Benefit, then we will reimburse you 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.



Additional features

Your Total and Permanent Disablement 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** Total and Permanent Disablement Cover **sum insured** if they are working **full time** and experience any of the following life events for that **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
- the commencement for the first time, of full-time tertiary education by a **dependent child**; or
- every fifth (5th) **policy anniversary**, provided that the Total and Permanent Disablement 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 interest into a professional practice.

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

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

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

- one-hundred percent (100%) of the **underwritten** Total and Permanent Disablement 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 evidence satisfactory to **PPS Mutual** to verify the occurrence of the event; and
- the **acceptance terms** which applied to this Total and Permanent Disablement Cover for the **life insured** will apply to increases under this feature.

Limitations

You cannot exercise the Specified Life Event Increase Feature if the Total and Permanent Disablement Cover **sum insured** across all **PPS Mutual policies** for the **life insured** exceeds \$5,000,000.

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 will 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
- made a claim under any **PPS Mutual policy**.



Exclusions

PPS Mutual will not pay a claim under this Total and Permanent Disablement Cover for a **life insured** as a direct result of:

- an act performed by the **life insured** to themselves; or
- participating in a **criminal act**; or
- the **life insured** not complying with, or refusing to undergo, reasonable **medical treatment** at their own expense, which their medical **specialist** considers necessary to address their incapacity.

Appendix A

Optional features

This appendix describes optional features available under Total and Permanent Disablement 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** Total and Permanent Disablement Cover **sum insured** after one (1) of the following:

- the **business** gross profit has increased; or
- the **life insured's** ownership interest 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 Total and Permanent Disablement 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** Total and Permanent Disablement Cover; and
- the **acceptance terms** which applied to this Total and Permanent Disablement Cover for the **life insured** will apply to increases under this feature.

2.

Optional Life Cover Buy-Back Feature

If **PPS Mutual** has accepted a Total and Permanent Disability or Partial and Permanent Disability claim and the **life insured** has survived six (6) months from the **claim event date**, then **PPS Mutual** will automatically reinstate the Life Cover **sum insured** equal to the claim paid.

Limitations

The Optional Life Cover Buy Back Feature is subject to the following limitations:

- You cannot exercise the Specified Life Event Increase Feature or Optional Business Insurability Feature for the Life Cover amount bought back under this feature.
- The feature will expire on the **policy anniversary** following the **life insured's** sixty fifth (65th) birthday.

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