

# Life 360

## Income Protection Cover

Because  
your life  
is yours  
to live”

Making life easier



You determine the lifestyle you lead and your income is your ticket to that lifestyle. Protecting your income if an unexpected illness or injury occurs can provide the financial stability to recover and return to the lifestyle you enjoy.



**\$50,000**

annual income over  
30 years is valued at a  
\$1.5 million asset today.

**5 out of every 10**

males and 7 out of every 10  
females, aged 25 years are  
likely to become disabled  
due to an illness or accident  
before they turn 65.\*

**71%**

of TOWER Income  
Protection claimants are  
under 50 at time of claim.\*\*

\* Source: Davies Finances & Actuarial Ltd

\*\* Source: TOWER Income Protection claims information

Income Protection Cover protects one of your most important assets – your income. It pays a percentage of your lost income on a monthly basis if you are disabled and unable to work due to an illness or injury.

This could help pay your bills and meet other financial commitments while you're off work, allowing you to focus on your well-being and recovery.

## At a glance

Eligible entry ages	16-55*
Minimum/maximum sum insured	\$1,000-\$20,000 per month
Eligible occupations	Most occupations are eligible. However, some will be uninsurable or will have limited cover due to the nature of the duties involved. Please check with your financial adviser or TOWER to confirm the eligibility of your occupation
Cover ends	Age 65
Benefit type	Monthly payment
Wait period option	4, 8, 13, 26 or 52 weeks
Benefit period option	Two years, five years or to age 65
Free look period	14 days to ensure you are happy with your policy

\* ages outside of this range will be considered by TOWER on an individual basis

### What is the payment based on?

You have two options for Income Protection Cover:

#### 1. Indemnity Value Cover

To ensure payments are a realistic reflection of your income at the time of claim, your payments are based on 75% of your average monthly income prior to disability.

Indemnity Value Cover pays the lesser of:

- the sum insured; and
- 75% of your income before you became disabled, less any income or benefits you are still receiving or entitled to receive.

#### 2. Agreed Value Cover

Agreed Value provides cover at an agreed level, less any income or benefits you are still receiving or are entitled to receive. The agreed value sum insured is assessed at the time of application – financial information is required at this stage.

We recommend you discuss these options with your financial adviser. We also suggest that you talk to your tax adviser regarding the tax status of the policy as it relates to you.

### How does Income Protection Cover impact on ACC or other ongoing income?

You may receive or be entitled to receive other income while you are disabled and unable to work e.g. ACC, mortgage repayment insurance, sickness benefit, ongoing business income.

TOWER subtracts other income you are still receiving, or are entitled to receive (excluding investment income), and any benefits from another source in connection with the same disability, from the amount we pay.

We do this to ensure the income you are receiving during the period of your disability, including your monthly benefit, remains relative to your pre-disability income (for indemnity Value Cover), or to the amount that was agreed at the time of application (for Agreed Value Cover).

### What benefits are included in my cover for no additional premium?

#### Partial Disability Cover Benefit

TOWER recognises that in some situations there needs to be a gradual return to work. Income Protection Cover allows for a payment to be made relative to what you are earning if you are partially disabled.

#### Recurrent Disability Benefit

Rehabilitation from an injury or illness can take time and you may experience a recurrence of the condition. In the event of a recurrence we will not apply a wait period if the time you take off work is within six months of the previous time off work, provided it is because of the same disability you initially claimed for.

#### Hospitalisation or Bed Confinement Benefit

If you've been admitted to hospital or are bed bound, TOWER makes a payment of 1/30th of the sum insured for each night after the first three nights (up to a maximum of 90 nights) to see you through until regular monthly Income Protection Cover payments commence.

#### Home and Work Modifications Benefit

This benefit provides up to six times your sum insured for specialised equipment and home/work modifications to facilitate your rehabilitation, depending on your situation.

### Rehabilitation Programme Benefit

This benefit will assist you to return to work by paying the costs (up to six times your sum insured) of a rehabilitation programme.

### Home Care Benefit

If you are totally disabled and require full time care at home from a nursing service this benefit pays the bills for the service to a maximum of \$2,500 per month or your sum insured (if the sum insured is less than \$2,500). This payment is additional to your monthly claim payment.

### Inflation Protection of Claims Benefit

This is a valuable benefit which will help to ensure that the buying power of your insurance payments does not diminish over time, by increasing your claim payments by the latest CPI increase, to a maximum of 10%, at each policy anniversary date.

## What options can I add to my cover?

The following option can be added to your cover for no additional premium:

1. **Inflation Protection Option** – If you choose this option your sum insured will automatically be increased at the policy anniversary date by the annual rate of increase in the latest CPI. The premium will be recalculated for the increased sum insured. You will have an opportunity to decline the increase each year.

The following two options can be added to your cover, for an additional premium:

1. **Top-up Option** – for the first three months following the wait period this option pays an additional one third of the claim amount payable.
2. **Permanent Disability Option** – increases the claim amount payable by one third if you are permanently disabled and you have received payments for your total disability for 24 consecutive months. This is not available with the two year benefit period option.

The following option can be added and a premium discount is applied:

1. **Mental and Psychiatric Disorders Exclusion** – if this is selected nothing is payable under the cover for any mental or psychiatric disorder.

## Waiver of Premium Cover

Waiver of Premium Cover is mandatory if Income Protection Cover is selected. While you're receiving any disability claim payments under Income Protection Cover, we waive all premiums for this and other cover under the same Life 360 policy.

### Making it easy

At TOWER we aim to explain information about our protection options in a language we all understand. This is why we have provided a set of user friendly explanations of some of the terms used in this brochure.

<b>benefits</b>	these are built in features of the insurance cover which provide you with additional protection in certain circumstances.
<b>benefit period</b>	the maximum possible period that TOWER will continue to pay your claim.
<b>CPI</b>	Consumers Price Index – the rate of inflation.
<b>options</b>	extra elements that can be added to your cover, usually for additional premium, to give you better protection.

### Other cover

As you move through the various stages of life your needs and financial responsibilities change. With TOWER's flexible range of cover we can help you protect your life and lifestyle.

To find out more about other cover for you and your family please contact your financial adviser or phone **TOWER on 0800 754 754.**

<b>premium</b>	the amount you pay to keep your insurance active. It can be paid monthly, quarterly, half-yearly or yearly.
<b>sum insured</b>	the amount of money you are covered for should you ever have to make a claim.
<b>wait period</b>	this is the period which starts at the later of you becoming totally disabled, or the date you stop working as a result of the illness or injury, to the time you are entitled to receive claim payments.

#### Disclaimer IMPORTANT – PLEASE READ

This is only an outline of the key features of Life 360 Income Protection Cover. It is not the policy, and limitations and exclusions do apply. Some words in this key features document have been given special meanings and are subject to the definitions provided in the policy terms and conditions.

# Life 360

## Income Protection Cover



Making life easier

### Contact us

Call 0800 754 754

Or visit [www.tower.co.nz](http://www.tower.co.nz)

Or talk to your financial  
adviser to find out more about  
other life or health covers.