

Sovereign Product Enhancements

21st May 2019



Overview Best of the Best

AIA and Sovereign are bringing together the best of our product ranges, systems, and processes to deliver great outcomes for customers. We are committed to make a positive difference to the lives of many Kiwis, championing New Zealand to be one of the healthiest and most protected nations in the world.

This involves developing a new competitive AIA branded product offering through comprehensive coverage, access to timely treatment options, and value for money. We will achieve this by broadly aligning our existing AIA and Sovereign products with each other.

We recently announced over 45 enhancements to the existing AIA and Sovereign trauma products. We are now pleased to announce 66 further enhancements to our remaining products – income protection, life, health, and total permanent disablement.



We are Committed to Existing Customers

As part of this commitment, all product enhancements were passed-back to existing AIA and Sovereign customers in line with the existing pass-back approach (i.e. customers with AIA REAL products since **January 2003** and Sovereign TotalCareMax products since **February 2001**).

In addition, future enhancements to the new product range will continue to be passed-back to existing customers.

We're proud of our continued commitment to make a difference in people's lives and to display our expertise and innovation at the forefront of the insurance industry.

Further changes are coming – so watch this space.



Sovereign Income Protection Enhancements



Most Important Income Protection Enhancements

1 Updated the **'Total Disability Income Benefit'** definition

We have removed the 14 days requirement of total disablement during the waiting period.

In addition the following changes have been made.

Occupation classes other than occupation class five:

- In order to qualify for a total disability claim, you now need to be unable to perform either one important income producing duty or be unable to work more than 10 hours per week.

Occupation class five:

- A new definition applies and the requirements are less restrictive.

DI Indemnity benefit:

- We have also removed the claim limit of \$2,500 if you are unemployed.



Most Important Income Protection Enhancements

- 2 Enhanced the **'Partial Disability Income Benefit'** definition
We have introduced a new eligibility clause if you are unable to work for more than 75% of your average weekly pre-disability hours.
We have also removed the 14 days requirement of total disablement during the waiting period.

- 3 Introduced a **'Childcare Support Benefit'**
In an event where you're totally or partially disabled and are receiving a monthly benefit, you may be eligible to receive the costs of child care support.



New Sovereign Income Protection Enhancements

1 Introduced a **‘Waiting Period Reduction Benefit’**

This provides you with the ability to reduce the waiting period on your Personal IP benefit, if you cancel your Business IP benefit which had a shorter waiting period. Note, the Business benefit must be cancelled due to certain circumstances outlined in the policy wording.

2 Introduced a **‘Concurrent Waiting Period Benefit’**

This new benefit clarifies the waiting periods that will run concurrently, where both personal and business IP cover is held for the same disability claim. It also clarifies if you suffer a Recurrent Disablement Benefit claim, the portion of your waiting period for their Disability IP (under this policy) will be considered to have been continuous and only the remaining waiting period under their Business IP cover, will apply.

3 Introduced a **‘Pregnancy Premium Waiver’**

If you are pregnant or on maternity leave, you now have the option to waive your premiums for up to 6 months.

4 Introduced a **‘Return to Home Benefit’**

You will be reimbursed the cost of a single standard economy air fare to return to or (3 times the monthly benefit) if you suffered a total disability outside of NZ.



Other **Sovereign** Income Protection Enhancements

1 Enhanced the **'Offsets Benefit'** definition

We no longer offset welfare payments.

2 Enhanced the **'Future Insurability Benefit'**

This facility now allows you to also increase your IP cover on occurrence of an increase in your salary.

3 Enhanced the **'Property Special Event Facility'** to Mortgage and Income Protection Benefit

We have extended the window of opportunity to submit a property special event request to six months (previously three months).



Sovereign Life Enhancements



Most Important **Sovereign** Life Enhancements

1 Introduced a **‘Counselling Benefit’**

We recognise the significant impact that a death or terminal illness diagnosis can have on our customers, and that’s why we’ve added a counselling benefit to our life products. We will provide up to \$2,500 in costs towards psychiatric or psychological consultations or counselling which relates to a claim (payable once across all policies).

2 Broadened the **‘Financial and Legal Advice Benefit’**

We broadened the benefit to include legal advice provided by a legal professional and we have changed the name from Financial Advice Benefit. This will help you if you need assistance with legal services at your time of need.

3 Introduced a **‘Premium Conversion Facility’**

This new benefit gives you the option of converting all or part of your life cover or family protection benefit from the existing premium structure specified in your policy schedule, to a level premium or further level premium structure without medical evidence.



Other Sovereign Life Enhancements

1 Increased the **'Special Events TPD / Trauma Facility'**

You can now apply to add up to 50% of your original sum assured, or \$100,000 (previously \$50,000) whichever is the lesser.

2 Enhanced the **'Parents Grieving Benefit'**

Should the unthinkable happen, and your child under 10 dies, you will receive \$2,000. For children aged between 10 and 21, we have increased the benefit amount up to \$15,000. This was previously named Children's Funeral Benefit.

3 Improved the **'Special Events Increase Facility'**

We have introduced new qualifying events:

- removed the salary increase requirements
- when a child of the life assured starts secondary education
- increased the mortgage for the purpose of making extensions to a residential or residential investment property to this facility.



Sovereign TPD Enhancements



Most Important **Sovereign** TPD Enhancements

1 Increased the **‘Partial Permanent Disablement Benefit’**

In an event where you have lost the sight in one eye, or lost the use of one hand or foot, the amount you will receive has increased. The maximum partial payment you'll now receive is the lesser of: 25% of the Sum Assured, or \$100,000 (previously \$25,000).

2 Enhanced the **‘Assessment Criteria for over 65’**

We have broadened the own occupation TPD assessment criteria for a life assured aged 65 or older.

3 Introduced an **‘Assistance Benefit’**

This new benefit provides you with up to \$15,000 towards the costs of purchasing specialist equipment, completing home alterations or modifications for your vehicle following a TPD benefit claim.

4 Introduced a **‘Suspension of Premium Benefit’**

This new benefit enables you to suspend your TPD benefit if you go on parental leave, or go on leave without pay for any reason for up to 12 months.



Other Sovereign TPD Enhancements

1 Broadened the **'Financial and Legal Advice Benefit'**

We broadened this benefit to include legal advice provided by a legal professional and we have changed the name from Financial Advice Benefit. This will help you when you need assistance with legal services at your time of need.

2 Introduced a **'Premium Conversion Facility'**

This new benefit gives you the option to convert all or part of your TPD benefit from the existing premium structure specified in your policy schedule to a level premium or further level premium structure without medical evidence.

3 Improved the **'Special Events Increase Facility'**

We have introduced new qualifying events:

- removed the salary increase requirements
- when a child of the life assured starts secondary education
- increased the mortgage for the purpose of making extensions to a residential or residential investment property to this facility.



Sovereign Health Enhancements



Most Important **Sovereign** Health Enhancements

1 Introduced a **'Mental Health Support Benefit'**

We recognise the potential impact of surgery or cancer treatment on your mental health. We will cover up to \$2,500 towards costs of a psychiatric or psychological consultation or counselling.

2 Improved the **'Cancer Care Benefit'**

We increased the benefit limit to \$500,000 (previously \$300,000).

3 Introduced a **'Public Hospital Cancer Treatment Cash Benefit'**

This new benefit provides you with a lump sum payment of \$5,000 if your treatment for cancer was performed in a public hospital, which would have otherwise been covered by the Cancer Treatment Benefit under your policy.



New Sovereign Health Enhancements

1 Introduced a **'Parent Accommodation Benefit'**

This new benefit cover is for accommodation expenses you incur as a parent accompanying your child listed on the policy schedule and undergoing medical treatment. Up to \$200 per day to a maximum of \$3,000 per policy year. No excess applies

2 Introduced an **'Ambulance Transfer Benefit'**

This new benefit allows you up to \$200 towards the costs of ambulance transfers for emergency transportation per policy year. No excess applies.

3 Introduced an **'Obstetric Care Allowance'**

This new benefit provides you with an Obstetric Care Allowance of up to \$2,000 per year where complications arise during pregnancy.

4 Introduced a **'Parents Grieving Benefit'**

Introduced an additional Parents Grieving Benefit of \$2,000 for children under 21.



Other Sovereign Health Enhancements

1 Improved the **'Suspension of Cover Benefit'**

You can now suspend your cover for up to two years while travelling overseas. We have also removed the restriction of maximum suspension for 12 months over the life of the policy.

2 Enhanced the **'Outpatient Treatment Support Costs'**

We have broadened coverage to include occupational therapy treatment as a claimable service under these costs.

3 Enhanced the **'Post-cancer treatment care and support benefit'**

We have included an allowance for home help and other services following cancer treatment.

4 Updated the **'Minor Surgery Benefit'**

We now cover all minor surgeries and increased the total yearly benefit limit to cover up to \$3,000 (previously \$1,000).

5 Increased the **'Medical Hospitalisation Benefit'**

We have increased the benefit limit to \$500,000 (previously \$300,000).



Other Sovereign Health Enhancements

6 Increased the **‘Major Diagnostics Imaging and Tests’**

We have increased the benefit limit to \$200,000 (previously \$100,000).

7 Enhanced the **‘Waiver of Premium on Death Benefit’**

We have removed the age limit of 70 years and increased the maximum from one to two years’ free cover for surviving lives assured following the death of a policy owner.

8 Improved the **‘Bereavement Grant’**

We have increased the benefit maximum to \$3,500 (previously \$2,500) and broadened the age limit to 21-70 (previously from 21-59).

9 Enhanced the **‘Pregnancy, maternity and infertility allowance’**

We have increased the allowance to a loyalty maximum of \$1,500 per pregnancy (previously \$750), and we have lowered the waiting period to two years (previously three years).



Sovereign Trauma Enhancements

Previously Launched 12th March 2019



Most Important **Sovereign** Trauma Enhancements

1 Introduced a **'Severe Illness or Injury Benefit'**

Not every medical condition is able to be captured in a trauma product. Rare or obscure medical conditions can have a significant impact on you due to the treatment you need to undergo.

This benefit attempts to provide some cover for very serious illnesses or injuries that are otherwise uncovered by the policy.

2 Added a **'Medical Advancements Protection Provision'**

Medical technology is moving fast and techniques used to diagnose medical conditions can change quickly. To help overcome the possibility of medical definitions becoming outdated, we've added a new Medical Advancements Provision. This means that if any diagnostic techniques or investigations used in our policy wordings become superseded by new criteria at the same level of severity, we will apply these new criteria to assess the claim.

3 Updated **40 medical definitions** (across AIA and Sovereign)

These definitions have been enhanced to ensure our trauma products continue to meet your needs at a time when you need it the most.



New Sovereign Trauma Benefits

1 Introduced a **'Built-in Counselling Benefit'**

The benefit covers up to \$2,500 (inclusive of GST) towards the cost of psychiatric or psychological consultations and counselling following a Trauma claim. Payable once across all policies.

2 Introduced a **'Built-in Return Home Benefit'**

This benefit will reimburse the cost of a standard economy flight back to New Zealand for the life assured and one support person. Up to a max of \$10,000 is payable should the assured be outside of NZ and suffer a condition covered under your Trauma policy for the first time.

3 Introduced a **'Built-in Bereavement Support Benefit'**

This benefit provides a lump sum payment that can be used to assist with funeral costs if a child of a life assured dies. This benefit ceases when the child reaches age 21.

The benefit payable is:

- \$2,000 if the child is under 10 years of age, or
- \$15,000 if the child is 10 years of age or over

4 Introduced a **'Built-in Suspension of Premium Benefit'**

This benefit enables the life assured to suspend your Trauma cover if they go on parental leave, or go on leave without pay for any reason for up to 12 months.



New Sovereign Trauma Benefits

5 Introduced a **'Built-in Children's Trauma Conversion Facility'**

This benefit enables the Built-in Children's Trauma Benefit to be converted to a standalone Trauma policy with a maximum sum assured of \$50,000 or 50% of the life assured original sum assured at the time of conversion.

Where the policy schedule shows that the Optional Children's & Maternity benefit is selected, conversion to a standalone Trauma policy is available with a maximum of \$75,000 or 50% of the life assured original sum assured.

6 Introduced a **'Built-in Premium Conversion Facility'**

This benefit enables the life assured to convert all or part of the Trauma Cover benefit from your existing premium specified in your policy schedule to a level premium or further level premium structure without medical evidence.

7 Introduced a **'Built-in Standalone Conversion Facility'**

This benefit enables the life assured to convert your standalone Trauma cover benefit to an accelerated Trauma Cover benefit with an equal amount of Life Cover without medical evidence.



Other **Sovereign** TCM Trauma Enhancements

- 1** Enhanced the **'Built-in Financial and Legal Advice Benefit'** (previous Financial Planning Benefit)
Broadened the benefit definition to include legal services provided by a legal professional in addition to Financial Planning provided by an accredited adviser.
- 2** Enhanced the **'Optional Early Cancer Upgrade Benefit'**
for Prostate Cancer and Malignant melanoma definitions; the amount payable has been increased to a maximum of 25% of the sum assured or \$75,000.
- 3** Enhanced the **'Optional Life Cover Buyback Benefit'**
Added additional conditions to the list of conditions where only a 6 month survival period is required before Life Cover can be reinstated.
- 4** Enhanced the **'Optional Children's and Maternity Benefit'**
Increase of the total benefit to \$75,000 or 50% of the sum assured if child of the life assured suffers one of the specified conditions.



Other **Sovereign** Trauma Enhancements

5 Enhanced the **'Built-in Special Events Increase Facility'**

1. Removed the increase requirements under the Salary Increase Event Definition
2. Broadened Mortgage Event Definition to include increasing the Mortgage for extensions to residential or residential investment property
3. Adopted AIA approach and added additional qualifying event 'child of life assured starting secondary education'

6 Increased the **Partial payments maximum**

Increased maximum partial payment limit to the lesser of 25% of the sum assured or \$75,000.



Sovereign Medical Condition definition impacts

1 We have **enhanced the definitions** of the following conditions under COMPREHENSIVE LIVING ASSURANCE:

- Prostate cancer
- Malignant melanoma
- Carcinoma in situ
- Carcinoma in situ radical surgery
- Benign brain tumour
- Angioplasty – less than 3 vessels /
Angioplasty – 3 or more vessels
- Dementia
- Idiopathic Parkinson's disease
- Multiple sclerosis
- Muscular dystrophy
- Encephalitis
- Coma
- Total blindness/ Loss of sight in one eye
- Permanent loss of hearing
- Loss of use of limbs and sight of one eye/
Permanent loss of use of limbs
- Intensive Care Benefit
- Chronic liver failure
- Chronic lung disease
- Severe osteoporosis
- Severe rheumatoid arthritis
- Severe ulcerative colitis/ Severe Crohn's disease
- Advanced diabetes



Sovereign Medical Condition definition impacts

2 We have **introduced the following new conditions** under COMPREHENSIVE LIVING ASSURANCE:

- Heart valve replacement or repair
- Severe burns/Major Burns/ Serious burns
- Cognitive Impairment
- Pneumonectomy
- Systemic Sclerosis
- Systemic Lupus Erythematosus
- Severe Illness or Injury
- Terminal Illness

3 We have **removed the drug and alcohol exclusion** from the following conditions under COMPREHENSIVE LIVING ASSURANCE:

- Idiopathic Parkinson's disease
- Motor neurone disease
- Muscular dystrophy
- Encephalitis
- Encephalitis
- Peripheral neuropathy
- Chronic liver failure

Sovereign Medical Condition definition impacts

4 We have **introduced partial payments** for the following conditions under COMPREHENSIVE LIVING ASSURANCE:

- Heart valve replacement
- Severe burns

5 We have **introduced** the following **new conditions** under PROGRESSIVE CARE:

- CIN-3, VIN-3, PIN-3
- Severe burns/Major Burns/ Serious burns
- Pneumonectomy
- Systemic Sclerosis
- Systemic Lupus Erythematosus
- Severe illness or Injury

Sovereign Medical Condition definition impacts

6 We have **enhanced the definitions** of the following conditions under PROGRESSIVE CARE:

- Carcinoma in situ
- Leukaemia
- Benign brain tumour
- Myelofibrosis
- Aplastic anaemia / Bone marrow transplant
- Myelodysplastic syndrome
- Angioplasty
- Cancer – solid tumours
- Stroke
- Dementia
- Coma
- Chronic lung failure / Chronic lung disease
- Severe rheumatoid arthritis / Rheumatoid arthritis
- Advanced diabetes

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