

OPTIONAL BENEFIT APPENDIX

Comprehensive Living Assurance Benefit

This *appendix* only applies if cover under the policy *schedule* includes the Comprehensive Living Assurance Benefit (standalone or accelerated). This *appendix* forms part of and is incorporated into *your* TotalCareMax policy, the terms of which apply to this *appendix*.

Details of the benefit and the names of the people insured for the benefit (called the life or lives assured) are shown in *the schedule*.

1. When will Sovereign pay a Comprehensive Living Assurance Benefit?

Sovereign will pay *you* (subject to the provisions of this policy) a Comprehensive Living Assurance Benefit if the *life assured* suffers for the first time after the *risk commencement date* any of the *conditions* listed in the table below and survives for at least 14 days thereafter. An exception is the Optional Total Permanent Disablement condition, for which a three month survival period applies.

What stand down periods apply?

If, within the first three months after the *risk commencement date*, any of the *conditions* marked in the table below as having a three month stand down period occur, or symptoms or signs which lead to any of those *conditions* (whether or not a *Registered Medical Practitioner* has been consulted) occur, then Sovereign will not pay a benefit for the *life assured* or any *child* of the *life assured* covered by the Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit.

Cover added under the Comprehensive LAB Future Insurability Benefit or the Special Events Increase Facility

A six month stand down period applies to increases made under the Built-in Comprehensive LAB Future Insurability Benefit or the Built-in Special Events Increase Facility, except where the claim is due to an *accident*, as outlined in Sections 6 and 7. Where the claim is due to an *accident*, the three month stand down period is waived on such increases, provided the *life assured* has already served the three month stand down period on the original Comprehensive Living Assurance Benefit policy.

Cover added under the Special Events TPD/Trauma Facility

A six month stand down period applies to any accelerated Comprehensive Living Assurance Benefit cover added for the *life assured* using the Special Events TPD/Trauma Facility under the Life Cover Benefit, except where the claim is due to an *accident*, as outlined in the Life Cover Benefit *appendix*. Where the claim is due to an *accident*, the three month stand down period applies to the added cover from the date the added cover commences, for any of the *conditions* marked in the table below as having a three month stand down period.

Built-in Newborn Children's Benefit

A twelve month stand down period applies to the Built-in Newborn Children's Benefit, meaning that Sovereign will only pay a claim for a biological child of a *life assured* where the birth of the child with one of the applicable *conditions* occurs at least twelve months after the *risk commencement date*.

This twelve month stand down period applies anew to all added cover from the date the added cover commences, including cover added using the Comprehensive LAB Future Insurability Benefit, the Special Events Increase Facility, or the Special Events TPD/Trauma Facility under the Life Cover Benefit.

	Three month stand down period	Full payment	Partial payment	Built-in Children's Trauma Benefit (Section 4)	Optional Children's and Maternity Benefit (Section 10)
Cancer					
Carcinoma-in-situ	✓	-	✓	✓	✓
Carcinoma-in-situ radical surgery	✓	✓	-	✓	✓
Malignant tumours	✓	✓	-	✓	✓
Prostate Cancer	✓	✓	-	✓	✓
Heart					
Angioplasty – less than 3 vessels	✓	-	✓	✓	✓
Angioplasty – 3 vessels or more	✓	✓	-	✓	✓
Aortic surgery	✓	✓	-	✓	✓
Cardiomyopathy	-	✓	-	✓	✓
Coronary artery bypass surgery	✓	✓	-	✓	✓
Heart attack	✓	✓	-	✓	✓
Heart valve surgery	✓	✓	-	✓	✓
Out-of-hospital cardiac arrest	-	✓	-	✓	✓
Pulmonary hypertension	-	✓	-	✓	✓
Major neurological disease					
Alzheimer's disease	-	✓	-	✓	✓
Benign brain tumour	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Coma	-	✓	-	✓	✓
Creutzfeldt-Jakob disease	-	✓	-	✓	✓
Dementia	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Encephalitis	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Idiopathic Parkinson's disease	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Major head trauma	-	✓	-	✓	✓
Meningitis	-	✓	-	✓	✓

	Three month stand down period	Full payment	Partial payment	Built-in Children's Trauma Benefit (Section 4)	Optional Children's and Maternity Benefit (Section 10)
Motor neurone disease	-	✓	-	✓	✓
Multiple sclerosis	✓	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Muscular dystrophy	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Peripheral neuropathy	-	✓	-	✓	✓
Stroke	✓	✓	-	✓	✓
Paralysis and loss of functionality					
Diplegia	-	✓	-	✓	✓
Hemiplegia	-	✓	-	✓	✓
Loss of independent existence	-	✓	-	✓	✓
Paraplegia	-	✓	-	✓	✓
Permanent blindness	✓	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Permanent loss of hearing	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Permanent loss of speech	-	✓	-	✓	✓
Permanent loss of use of limbs	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Quadriplegia / Tetraplegia	-	✓	-	✓	✓
Other key conditions					
Advanced diabetes	✓	✓	-	✓	✓
Aplastic anaemia	-	✓	-	✓	✓
Chronic liver failure	✓	✓	-	✓	✓
Chronic lung disease	✓	✓	-	✓	✓
Chronic renal failure	-	✓	-	✓	✓
HIV	-	✓	-	✓	✓
Intensive care	-	✓	✓	✓ (partial payment unavailable)	✓ (partial payment unavailable)
Major burns	-	✓	-	✓	✓

	Three month stand down period	Full payment	Partial payment	Built-in Children's Trauma Benefit (Section 4)	Optional Children's and Maternity Benefit (Section 10)
Major transplant surgery	-	✓	-	✓	✓
Severe Crohn's disease	✓	-	✓	-	-
Severe osteoporosis	✓	-	✓	-	-
Severe rheumatoid arthritis	✓	-	✓	-	-
Severe ulcerative colitis	✓	-	✓	-	-
Optional condition					
Total Permanent Disablement	-	✓	-	-	-

(Refer to Section 15 for a full description of these *conditions*.)

If *you* receive a full payment claim for a *life assured* under this Comprehensive Living Assurance Benefit, cover will cease for that *life assured*.

If *you* receive a partial payment of this Comprehensive Living Assurance Benefit for a *life assured*, cover will continue for that *life assured* with the sum assured being reduced by the amount of the partial payment amount. The *premium* will reduce with the reduction in sum assured.

If the *life assured* suffers more than one *condition* (including the Optional Total Permanent Disablement condition), Sovereign will pay a maximum of the Living Assurance Benefit sum assured for all claims (in total).

From time to time, medical procedures used for diagnosis of a *condition* are updated or replaced by more advanced medical diagnostic testing procedures. If this circumstance arises when *you* have made a claim, then Sovereign may apply an alternative medical test or medical diagnostic testing procedure acceptable to Sovereign in order to obtain a result similar to the medical diagnostic testing procedure outlined in this *appendix*.

2. What effect does payment of an accelerated Comprehensive Living Assurance Benefit have on the Life Cover Benefit?

This section applies only if an accelerated Living Assurance Benefit is shown in *the schedule*.

When Sovereign pays an accelerated Living Assurance Benefit, the Life Cover Benefit for the *life assured* will decrease by the same amount. Any other accelerated benefits relating to that Life Cover Benefit will also be reduced, if necessary, so that those accelerated benefits do not exceed the decreased Life Cover Benefit. If the Life Cover Benefit is reduced to nil, all accelerated benefits relating to that Life Cover Benefit will be removed.

The maximum combined amount payable under the Life Cover Benefit, Specified Terminal Conditions Benefit, Terminal Illness Benefit, Bereavement Support Benefit, Children's Funeral Benefit, Repatriation Benefit, accelerated Living Assurance Benefit and, if applicable, the accelerated Progressive Care Benefit and the accelerated Total Permanent Disablement Benefit is the amount of the Life Cover Benefit for that *life assured*.

3. Built-in Financial Advice Benefit

If Sovereign pays a full payment claim under this Comprehensive Living Assurance Benefit for a *condition* suffered by a *life assured*, then Sovereign will reimburse *you* for fees up to \$2,500 including GST (in total) that *you* pay for financial planning advice *you* receive from an *accredited Adviser* approved by Sovereign, subject to the following conditions:

- > *You* must pay for the financial planning advice within the three months following Sovereign paying the Comprehensive Living Assurance Benefit claim.
- > *You* must submit a claim for the Built-in Financial Advice Benefit within the three months following Sovereign paying the Comprehensive Living Assurance Benefit claim.
- > *You* must provide Sovereign with a completed claim form and a receipt satisfactory to Sovereign for the fees *you* are claiming.
- > Sovereign will only pay one Financial Advice Benefit per *life assured* across all *Sovereign policies*.

The Built-in Financial Advice Benefit is not payable for a claim for a *child* of the *life assured* under the Built-in Children's Trauma Benefit, the Optional Children's and Maternity Benefit or the Built-in Newborn Children's Benefit.

4. Built-in Children's Trauma Benefit

What is the Built-in Children's Trauma Benefit?

Sovereign will pay a Built-in Children's Trauma Benefit if a *child* of a *life assured* suffers one of the applicable *conditions* listed in Section 1 of this *appendix*.

This Benefit is only payable if the *child* of the *life assured*:

- > first suffers a *condition* after the *risk commencement date*, subject to the applicable stand down period provisions where these apply;
- > is aged between two years and 21 years at the time he or she first suffers from that *condition*; and
- > survives for at least 14 days after suffering from the *condition*.

What are the applicable conditions and how much will Sovereign pay?

For those *conditions* where the criteria for a full payment are met as detailed in Section 15 below, the Benefit payable is the lower of \$20,000 or 50% of the sum assured across all Comprehensive Living Assurance Benefit policies for the *life assured*.

No payments are made under this Benefit for the Optional Total Permanent Disablement condition or any of those *conditions* where a partial payment applies, except for the following *conditions*:

- > Angioplasty – less than 3 vessels.
- > Carcinoma-in-situ.

For these *conditions*, the Benefit payable is the lower of \$20,000 or 10% of the sum assured across all Comprehensive Living Assurance Benefit policies for the *life assured*.

Sovereign will pay a maximum of one claim per *child* under either the Built-in Children's Trauma Benefit or the Built-in Newborn Children's Benefit, across all *Sovereign policies*.

The Built-in Children's Trauma Benefit or the Built-in Newborn Children's Benefit is payable in addition to the Optional Children's and Maternity Benefit (if applicable).

Payment of the Built-in Children's Trauma Benefit will not affect the amount of any Comprehensive Living Assurance Benefit payable for the *life assured*.

5. Built-in Newborn Children's Benefit

What is the Built-in Newborn Children's Benefit?

Sovereign will pay a Built-in Newborn Children's Benefit if a biological child of a *life assured* is born with one of the following *conditions* and survives for thirty days after birth:

- > Cleft palate.
- > Down's syndrome.
- > Spina bifida.
- > Total blindness.
- > Absence of two or more *limbs*.

Please refer to Section 16 for the definitions of these *conditions*.

In order for Sovereign to pay a claim under this Benefit, we will require medical information from a *Registered Medical Practitioner* acceptable to us that conclusively evidences the *condition*. In circumstances where a conclusive diagnosis cannot be made at birth, we will defer our assessment of the claim until sufficient evidence can be supplied. For example, this might apply in the case of total blindness, where a conclusive diagnosis may not be possible until later in the *child's* life. In these cases, the claims assessment will be based on the *child's* sight at the date that conclusive diagnosis is first possible.

A claim is only payable under the Built-in Newborn Children's Benefit if cover remains in effect for the *life assured* up to the date that the conclusive diagnosis for the *child* occurs.

How much will Sovereign pay?

The Benefit payable is the lower of \$20,000 or 50% of the *sum assured* across all Comprehensive Living Assurance Benefit policies for the *life assured*.

Sovereign will pay a maximum of one claim per *child* under either the Built-in Newborn Children's Benefit or the Built-in Children's Trauma Benefit, across all *Sovereign policies*.

The Built-in Newborn Children's Benefit is only payable where the birth of the child with one of the applicable *conditions* occurs at least twelve months after the *risk commencement date*.

This requirement applies anew to all added cover from the date the cover commences; including cover added using the Built-in Comprehensive LAB Future Insurability Benefit, the Special Events Increase Facility, or the Special Events TPD/Trauma Facility under the Life Cover Benefit.

The Built-in Children's Trauma Benefit or the Built-in Newborn Children's Benefit is payable in addition to the Optional Children's and Maternity Benefit (if applicable).

Payment of the Built-in Newborn Children's Benefit will not affect the amount of any Comprehensive Living Assurance Benefit payable for the *life assured*.

6. Built-in Special Events Increase Facility

What is the Special Events Increase Facility?

On each occasion when one of the following circumstances occurs for a *life assured* on the Comprehensive Living Assurance Benefit:

- > having a *child* (by birth or legal adoption);
- > becoming married or entering into a civil union;
- > becoming divorced or the dissolution of the *life assured's* civil union;
- > financially supporting a dependent *child* through a first course of full-time tertiary education;
- > taking out or increasing a home loan because the *life assured* has purchased a new home, a new residential investment property, a vacation home, or a bare block of

land zoned as residential;

- > becoming responsible for the *full-time care* or payment for long term care of a *close relative*;
- > receiving an *annual salary* increase of at least the greater of \$20,000 per annum or 10% of the *life assured's annual salary* immediately prior to the increase. The figure of \$20,000 per annum will be increased from time to time in accordance with an official measure of inflation. This special event is not available to a *life assured* who is self-employed; or
- > experiencing the death of a spouse or de facto partner, *you* may write to Sovereign asking us to increase the Comprehensive Living Assurance Benefit for that *life assured*.

What is the maximum cover that can be added?

The maximum increase for each special event cannot exceed the lower of:

- > 50% of the original Comprehensive Living Assurance Benefit for the *life assured*; or
- > \$250,000.

The total of all increases made under this Facility cannot exceed the lower of:

- > 100% of the original Comprehensive Living Assurance Benefit for the *life assured*; or
- > \$750,000.

In the case of taking out or increasing a home loan, the individual increase cannot exceed the amount of the home loan or the increase in the home loan.

In the case of an *annual salary* increase, the individual increase cannot exceed five times the *annual salary* increase.

The maximum increases outlined above each apply in respect of all Living Assurance Benefits, Progressive Care Benefits, and similar benefits for that *life assured* across all *Sovereign policies*.

Both of the following maximum sum assured limits also apply across all *Sovereign policies* for each *life assured*:

- (a) the total of the sum assured for all Living Assurance Benefits, Progressive Care Benefits, and similar trauma benefits (combined), including increases under this Facility must not exceed \$2,000,000; and
- (b) the total of the sum assured for all trauma benefits combined must not exceed \$2,000,000 and the total sum assured for all trauma and Total Permanent Disablement Benefits (and similar benefits) combined must not exceed \$5,000,000.

What are the other conditions applying to this Facility?

You do not need to produce any medical evidence regarding the *life assured* when *you* request this increase, but any Special Events Increase is subject to the following conditions:

- > *You* must make the request within 60 days either side of the relevant special event and provide Sovereign with suitable evidence of the occurrence of the event.
- > A *life assured* is only eligible for special events

increases where the special event occurs from the age of 16 and before age 55.

- > If, at any time before *you* seek to exercise the Facility, a claim for the *life assured* had been accepted by us or notified to us, Sovereign will have discretion in determining whether the Facility can be exercised. In exercising discretion, we will consider whether, based on the medical evidence submitted in support of the claim, the *life assured* represents an increased risk of claim for the benefit being added under this Facility.
- > Only one of the following is available in any 12 month period:
 - A Comprehensive LAB Future Insurability Benefit increase (see Section 7 below).
 - A Special Events Increase under a Living Assurance Benefit or Progressive Care Benefit.
 - (If applicable) exercising the Special Events TPD/Trauma Facility under the Life Cover Benefit and/or similar benefits to add an accelerated Living Assurance Benefit or an accelerated Progressive Care Benefit.
- > The Optional Early Cancer Upgrade Benefit is not available for the purposes of determining Special Event Increases.

Sovereign will increase the Comprehensive Living Assurance Benefit for a *life assured* from the date we accept *your* request.

Each increase will require an increase in *premium*. This increase will be calculated on the rates applicable at the time the Built-in Special Events Increase Facility is exercised.

Any loadings, exclusions or special terms on the original Comprehensive Living Assurance Benefit sum assured will be applied to the increased amount.

When will Sovereign not pay a claim for an increase under this Facility?

Increases in sum assured added to this policy

After an increase under this Facility has been made, Sovereign will not pay the increased benefit amount if, before the increase, or within six months of the Facility being exercised, the *life assured*:

- > suffers any *condition* for the first time other than due to an *accident* under the Comprehensive Living Assurance Benefit; or
- > has any symptoms or signs leading to a *condition* (whether or not a *Registered Medical Practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Comprehensive Living Assurance Benefit.

Increases in sum assured issued as an additional new policy

Where this policy or any part of the sum assured under it, has been issued as the result of an increase under the Built-in Special Events Increase Facility, then:

- > the Special Events Increase Facility will not be available under this policy for the proportion of the sum assured that represents the increase;
- > Sovereign will not pay the increased benefit amount if, before the increase, or within six months of the increase, the *life assured*:
 - suffers any *condition* for the first time other than due to an *accident* under the Comprehensive Living Assurance Benefit; or
 - has any symptoms or signs leading to a *condition* (whether or not a *Registered Medical Practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Comprehensive Living Assurance Benefit.

7. Built-in Comprehensive LAB Future Insurability Benefit

At every third policy *anniversary date* you may write to Sovereign asking us to increase the Comprehensive Living Assurance Benefit for a *life assured*.

You do not need to produce any medical evidence regarding the *life assured* when you request this increase, but any increase in sum assured under this Benefit is subject to the following conditions:

- > You must request the increase by providing written advice to Sovereign within 60 days either side of the applicable *anniversary date*. Outside of this time frame, the Comprehensive LAB Future Insurability Benefit is not available.
- > Each individual increase cannot exceed 20% of the original Comprehensive Living Assurance Benefit sum assured or \$200,000, whichever is the lesser.
- > The total of all Comprehensive LAB Future Insurability Benefit increases for a *life assured* cannot exceed 100% of the original Comprehensive Living Assurance Benefit for that *life assured* or \$500,000, whichever is the lesser.
- > Both of the following maximum sum assured limits also apply across all *Sovereign policies* for each *life assured*:
 - (a) The total of the sum assured for all Living Assurance Benefits, Progressive Care Benefits, and similar trauma benefits (combined), including increases under this Facility must not exceed \$2,000,000; and
 - (b) The total of the sum assured for all trauma benefits combined must not exceed \$2,000,000 and the total sum assured for all trauma and Total Permanent Disablement Benefits (and similar benefits) combined must not exceed \$5,000,000.
- > Where this Comprehensive Living Assurance Benefit is shown in *the schedule* as accelerated against the Life Cover Benefit, the Comprehensive Living Assurance Benefit, including the total of all Comprehensive LAB Future Insurability Benefit increases, cannot exceed the

sum assured of the Life Cover Benefit. See Section 2 'What effect does payment of an accelerated Comprehensive Living Assurance Benefit have on the Life Cover Benefit' for details.

- > A life assured is only eligible for Comprehensive LAB Future Insurability Benefit increases from the age of 16, and before age 55.
- > Sovereign will increase the Comprehensive Living Assurance Benefit for a *life assured* from the date we accept *your* request.
- > If, at any time before *you* seek to exercise an increase under this Benefit, a claim for the *life assured* had been accepted by us or notified to us, Sovereign will have discretion in determining whether the increase will be accepted. In exercising discretion, we will consider, based on the medical evidence submitted in support of the claim, whether the *life assured* represents an increased risk of claim for the cover being added under this Benefit.
- > Only one of the following is available in any 12 month period:
 - A Built-in Comprehensive LAB Future Insurability Benefit increase;
 - A Special Events Increase under a Living Assurance Benefit or Progressive Care Benefit; or
 - (If applicable) exercising the Special Events TPD/Trauma Facility under the Life Cover Benefit and/or similar benefits to add an accelerated Living Assurance Benefit or an accelerated Progressive Care Benefit.
- > The Optional Early Cancer Upgrade Benefit is not available for the purposes of determining Built-in Comprehensive LAB Future Insurability Benefit Increases.

Each Built-in Comprehensive LAB Future Insurability Benefit increase in sum assured will require an increase in *premium*. This increase will be calculated on the rates applicable at the time the Built-in Comprehensive LAB Future Insurability Benefit is exercised.

Any loadings, exclusions or special terms on the original Comprehensive Living Assurance Benefit sum assured will be applied to the increased amount.

The Built-in Comprehensive LAB Future Insurability Benefit is not available for the Optional Early Cancer Upgrade Benefit or the Optional Children's and Maternity Benefit.

Increases in sum assured added to this policy

After a Built-in Comprehensive LAB Future Insurability Benefit increase has been made, Sovereign will not pay the increased amount if, before the increase, or within six months of the increase, the *life assured*:

- > suffers any *condition* for the first time other than due to an *accident* under the Comprehensive Living Assurance Benefit; or

- > has any symptoms or signs leading to a *condition* (whether or not a *Registered Medical Practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Comprehensive Living Assurance Benefit.

Increases in sum assured issued as an additional new policy

Where this policy or any part of the sum assured under it, has been issued as the result of an increase under the Built-in Comprehensive LAB Future Insurability Benefit, then:

- > The Built-in Comprehensive LAB Future Insurability Benefit under this policy will not be available for the proportion of the sum assured that represents the increase.
- > Sovereign will not pay the increased amount if, before the increase, or within six months of the increase, the *life assured*:
 - suffers any *condition* for the first time other than due to an *accident* under the Comprehensive Living Assurance Benefit; or
 - has any symptoms or signs leading to a *condition* (whether or not a *Registered Medical Practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the Comprehensive Living Assurance Benefit.

8. Optional Early Cancer Upgrade Benefit

The Early Cancer Upgrade Benefit is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Early Cancer Upgrade Benefit.

Sovereign will pay an Optional Early Cancer Upgrade Benefit (subject to the provisions of this policy) if the *life assured* suffers for the first time one of the cancer *conditions* listed below, after the date cover commences under the Optional Early Cancer Upgrade Benefit.

Sovereign will not pay an Optional Early Cancer Upgrade Benefit if the *life assured* suffers the cancer *condition* or has any symptoms or signs leading to the cancer *condition* (whether or not a *Registered Medical Practitioner* has been consulted) within three months after the date cover commences under the Optional Early Cancer Upgrade Benefit. The Optional Early Cancer Upgrade Benefit does not apply to *children* of the *life assured* covered under the Children's Trauma Benefit or the Optional Children's and Maternity Benefit.

Only one claim per *life assured* can be made under the Optional Early Cancer Upgrade Benefit. The Optional Early Cancer Upgrade Benefit will cease once a claim is paid and *your premiums* will reduce accordingly. If at claim time, the *life assured* does not have a base Living Assurance Benefit, no Optional Early Cancer Upgrade Benefit will be payable and any *premiums* paid for the Optional Early Cancer Upgrade Benefit after the base Living Assurance Benefit has been cancelled will be refunded to the policy owner.

The amount payable under the Optional Early Cancer Upgrade Benefit is 25% of the Comprehensive Living Assurance Benefit sum assured at the date cover commences under the Optional Early Cancer Upgrade Benefit, subject to a maximum of \$50,000 per *life assured* across all *Sovereign policies*. The amount payable under the Optional Early Cancer Upgrade Benefit does not change with any subsequent changes in the Comprehensive Living Assurance Benefit sum assured, such as changes due to:

- > annual indexation increases after the date cover commences under the Optional Early Cancer Upgrade Benefit;
- > cover added using the Special Events Increase Facility or the Special Events TPD/Trauma Facility;
- > Comprehensive LAB Future Insurability Benefit increases; or
- > reductions in the Comprehensive Living Assurance Benefit sum assured due to voluntary reduction or due to a partial payment claim.

The Optional Early Cancer Upgrade Benefit will cease when cover under the Comprehensive Living Assurance Benefit ceases.

Payment of the Optional Early Cancer Upgrade Benefit may be in addition to any other payments made under this policy. Payment of the Optional Early Cancer Upgrade Benefit will not reduce the Comprehensive Living Assurance Benefit sum assured.

The Optional Early Cancer Upgrade Benefit covers carcinoma-in-situ of the following sites and is defined as a focal autonomous new growth of carcinomatous cells which has not yet resulted in the invasion of normal tissue. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane. The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as TIS according to the TNM staging method or FIGO Stage 0:

- > Breast.
- > Cervix.
- > Vagina.
- > Vulva.
- > Ovary.
- > Fallopian tube: tumour limited to tubal mucosa.

The Optional Early Cancer Upgrade Benefit also covers the following cancers:

- > Chronic lymphocytic leukaemia: where there must be the presence of chronic lymphocytic leukaemia which is histologically described as at least RAI Stage 0.
- > Malignant melanoma which is less than 1.5mm depth of invasion as measured using the Breslow histological classification, and less than Clark level 3 as determined by a histological examination and shows no evidence of ulceration as determined by a histological examination.
- > Malignant tumour of the prostate histologically described as TNM classification T1 or has a Gleason score of 5 or

less for which treatment is not considered *medically necessary* by an appropriate *specialist*.

The Living Assurance Buyback Benefit does not apply for the Optional Early Cancer Upgrade Benefit.

9. Optional Total Permanent Disablement condition

The Total Permanent Disablement condition is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Total Permanent Disablement condition and, subject to the provisions of this *appendix*, is included as a full payment *condition* under the Comprehensive Living Assurance Benefit.

The Optional Total Permanent Disablement condition does not apply to any *child* of a *life assured* covered under the Children's Trauma Benefit or the Optional Children's and Maternity Benefit.

The Optional Total Permanent Disablement condition does not apply once the *life assured* attains age 65.

10. Optional Children's and Maternity Benefit

The Children's and Maternity Benefit is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Children's and Maternity Benefit.

The Benefit is payable in addition to any benefit payable under the Built-in Children's Trauma Benefit or the Built-in Newborn Children's Benefit.

Children's Critical Conditions Benefit

What is the Children's Critical Conditions Benefit?

Sovereign will pay a Children's Critical Conditions Benefit if a *child* of a *life assured* suffers one of the applicable *conditions* listed in Section 1 of this *appendix*.

This Benefit is only payable if the *child* of the *life assured*:

- > first suffers a *condition* after the *risk commencement date*, subject to the three month stand down period provisions where these apply;
- > is aged between two years and 21 years at the time he or she first suffers from that *condition*; and
- > survives for at least 14 days after suffering from the *condition*.

Sovereign will pay a maximum of one claim per *child* under the Children's Critical Conditions Benefit across all *Sovereign policies* for a *life assured*. In cases where two policies each name a distinct parent of the *child* as a *life assured*, both policies are eligible to claim under the Children's Critical Conditions Benefit for that *child*, provided the Optional Children's and Maternity Benefit is shown in *the schedule* of both policies.

What are the applicable conditions and how much will Sovereign pay?

For those *conditions* where the criteria for a full payment are met as detailed in Section 15 below the Benefit payable is the lower of \$50,000 or 50% of the Comprehensive Living Assurance Benefit sum assured.

No payments are made under this Benefit for the Optional Total Permanent Disablement *condition* or any of the *conditions* where a partial payment applies, except for the following *conditions*:

- > Angioplasty – less than 3 vessels.
- > Carcinoma-in-situ.

For these *conditions*, the Benefit payable is the lower of \$50,000 or 10% of the Comprehensive Living Assurance Benefit sum assured.

Before cover for a *child* can commence under the Children's Critical Conditions Benefit, *you* must advise us in writing of the *child's* name, date of birth and gender. Cover for a *child* will only commence once we have confirmation of the *child's* details in writing.

Pregnancy Complications Benefit

When is a Pregnancy Complications benefit payable?

This benefit is payable if a *life assured* for the Comprehensive Living Assurance Benefit suffers for the first time and at least 12 months after the *risk commencement date* one of the defined pregnancy complication *conditions*.

Sovereign will not pay this benefit if the *life assured* suffers the *condition* or has any symptom or signs leading to the *condition* (whether or not a *Registered Medical Practitioner* has been consulted) within 12 months after the *risk commencement date*.

What pregnancy complication conditions are covered?

- > Disseminated intravascular coagulation.
- > Eclampsia.
- > Hydatidiform mole.

See Section 16 for a full description of these *conditions*.

How much will Sovereign pay for the Pregnancy Complications Benefit?

The benefit payable is \$10,000.

Payment of the Pregnancy Complications Benefit will not reduce the Comprehensive Living Assurance Benefit.

Bereavement Support Benefit

When is a Bereavement Support Benefit payable?

Sovereign will pay a Bereavement Support Benefit if:

- > a *child* of a *life assured* dies after birth following at

least 24 weeks gestation and before his or her third birthday, or

- > a *child* of a *life assured* dies prior to birth but after at least 24 weeks gestation, where the *life assured* is the biological mother of the *child*.

This Benefit is only payable if the *child* is born, or would have been born if the pregnancy continued to full term, at least twelve months after the *risk commencement date*.

How much will Sovereign pay for the Bereavement Support Benefit?

The benefit payable is \$2,000.

Payment of the Bereavement Support Benefit will not reduce the sum assured of the Comprehensive Living Assurance Benefit for the *life assured*.

Sovereign will pay a maximum of one claim per *child* under the Bereavement Support Benefit across all *Sovereign policies* for a *life assured*. In cases where two policies each name a distinct parent of the *child* as a *life assured*, both policies are eligible to claim under the Bereavement Support Benefit for that *child*, provided the Optional Children's and Maternity Benefit is shown in the *schedule* of both policies.

The Living Assurance Buyback Benefit does not apply for the Optional Children's and Maternity Benefit.

11. Optional Life Cover Buyback Benefit

The Life Cover Buyback Benefit is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Life Cover Buyback Benefit and if *you* have selected an accelerated Comprehensive Living Assurance Benefit.

Where an Optional Life Cover Buyback Benefit is selected, this allows the Life Cover Benefit to be reinstated without the need to provide further medical evidence following an accelerated Comprehensive Living Assurance Benefit claim, subject to the following conditions:

- > The Life Cover Benefit can be reinstated to the level applying immediately before the accelerated Comprehensive Living Assurance Benefit claim.
- > The *life assured* must have had a claim paid on their accelerated Comprehensive Living Assurance Benefit for one of the following *conditions* and have survived a period of six months after the claim payment date:
 - Alzheimer's disease.
 - Permanent blindness.
 - Permanent loss of hearing.
 - Dementia.
 - Permanent loss of use of *limbs*.
 - Multiple sclerosis.
 - Idiopathic Parkinson's disease.

- > For all other *conditions* (including the Optional Total Permanent Disablement *condition*, where applicable), the *life assured* must have had a claim paid on their accelerated Comprehensive Living Assurance Benefit and have survived a period of 12 months after the claim payment date.
- > The Life Cover Benefit can be reinstated following a full payment claim or a partial payment claim.
- > Only one Life Cover Buyback reinstatement will apply per *life assured* per policy.
- > The Life Cover Benefit must be reinstated within 30 days of the date that the Life Cover Benefit is first eligible to be reinstated.
- > The maximum Life Cover Benefit that can be reinstated is 100% of the accelerated Comprehensive Living Assurance Benefit claim or \$2 million, whichever is the lesser.
- > No Life Cover Buyback Benefit is available if the *life assured* has suffered a *claim event* under a Terminal Illness Benefit or a Specified Terminal Conditions Benefit under any *Sovereign policy*, whether or not a claim has been made.
- > Any exercise of the Life Cover Buyback Benefit may require an increase in *premium*. This *premium* increase will be calculated on the rates applicable at the time the Life Cover Benefit is reinstated.
- > Any accelerated benefits relating to the Life Cover Benefit for the *life assured* that have been reduced or removed as a result of an accelerated Comprehensive Living Assurance Benefit claim will not be reinstated.

12. Optional Living Assurance Buyback Benefit

The Living Assurance Buyback Benefit is available as an option once the *life assured* reaches age 16. *The schedule* will specify if *you* have chosen the Optional Living Assurance Buyback Benefit..

Where an Optional Living Assurance Buyback Benefit is selected, this allows the Comprehensive Living Assurance Benefit to be reinstated without the need to provide further medical evidence following a Comprehensive Living Assurance Benefit claim, subject to the following conditions:

- > The *life assured* must have had a claim paid on their Comprehensive Living Assurance Benefit that has reduced the sum assured to a nil balance, and have survived a period of 12 months after the claim payment date.
- > The Comprehensive Living Assurance Benefit must be reinstated within 30 days of the first anniversary of the Comprehensive Living Assurance Benefit claim payment.
- > The maximum Comprehensive Living Assurance Benefit that can be reinstated is 100% of the Comprehensive Living Assurance Benefit claim payment or \$2 million, whichever is the lesser.
- > If *you* had selected the Optional Total Permanent

Disablement condition at the time of the first Comprehensive Living Assurance Benefit claim, this *condition* will be included under the reinstated Comprehensive Living Assurance Benefit, except where the Optional Total Permanent Disablement condition was the subject of the Comprehensive Living Assurance Benefit claim.

- > Any premium loadings or exclusions which applied to the original Comprehensive Living Assurance Benefit will also apply to the reinstated Comprehensive Living Assurance Benefit.
- > Any exercise of the Optional Living Assurance Buyback Benefit may require an increase in *premium*. This *premium* increase will be calculated at the rates applicable at the time the Comprehensive Living Assurance Benefit is reinstated. However, where the Comprehensive Living Assurance Benefit has been reinstated after a full payment claim has been paid for cancer, stroke or heart attack – a discount will be applied to the *premium*.
- > In the event of a claim in respect of the reinstated Comprehensive Living Assurance Benefit, Sovereign will determine whether or not the *condition* for this subsequent claim is a *related condition* to the *condition* which was the subject of the first Comprehensive Living Assurance Benefit claim. Any *related condition*, as determined by Sovereign, will be excluded from the *life assured's* reinstated Comprehensive Living Assurance Benefit cover. Refer to Section 17 for a schedule of *related conditions*.
- > Only one Comprehensive Living Assurance Benefit reinstatement will be allowed over the life of this policy for a *life assured*.
- > Reinstatement of the Comprehensive Living Assurance Benefit is not available following a claim for a *condition* listed in Section 1 which results in a partial payment.
- > No Comprehensive Living Assurance Buyback Benefit is available if the *life assured* has suffered a *claim event* under a Terminal Illness Benefit or a Specified Terminal Conditions Benefit under any *Sovereign policy*, whether or not a claim has been made.
- > The Optional Living Assurance Buyback Benefit is not available for the Optional Children's and Maternity Benefit or the Optional Early Cancer Upgrade Benefit.

13. Exclusions – when Sovereign won't pay a benefit

Sovereign will not pay any benefit described in this *appendix* where any of the following (and in each case either directly or indirectly) causes or contributes to the claim:

- > The *life assured* (or the *child* in the case of a Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit) deliberately injures himself or herself or attempts to do so.
- > The *life assured* (or the *child* in the case of a Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit) engages in or is part of any

conduct that is criminal.

- > Any *condition* or any symptom or signs leading to the *condition* (whether or not a *Registered Medical Practitioner* has been consulted) that existed before the *risk commencement date*, unless Sovereign is satisfied that *you* or the *life assured* could not have known of the existence of the *condition* or symptom or signs leading to the *condition*, or the *condition* or symptom or signs leading to the *condition* were declared on *your* application and accepted by Sovereign.

Sovereign will not pay any benefit described in this *appendix* where any of the following occurs before a *life assured* (or any *child* in the case of a Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit) reaches age 21, and (in each case either directly or indirectly) causes or contributes to a claim for that *life assured* (or *child*):

- > any intentional act by *you* or by any parent or guardian of the *life assured*, or *child*.
- > any intentional act by someone who lives with or supervises the *life assured*, or *child*.

Sovereign will not pay a benefit under the Built-in Children's Trauma Benefit or the Optional Children's and Maternity Benefit that arises as a direct or indirect consequence of:

- > a *pre-existing condition*; or
- > any *congenital condition*.

An exception to this is the Bereavement Support Benefit under the Optional Children's and Maternity Benefit.

These exclusions apply to any subsequent benefit increase *you* make.

14. How to make a claim

To make a claim, refer to the section in *your* TotalCareMax policy entitled 'How to make a claim'.

In addition, for a Comprehensive Living Assurance Benefit claim, Sovereign will require information acceptable to us, including medical evidence and reports, showing proof of the *condition* giving rise to the claim.

Sovereign may require the *life assured* or his or her *child* (if applicable) to have an examination by a *Registered Medical Practitioner* appointed by Sovereign before accepting liability for a claim.

Where the Optional Total Permanent Disablement condition is the *condition* giving rise to the claim, Sovereign will also require:

- > A Sovereign claims form completed by the *life assured* and a *Registered Medical Practitioner* (at *your* expense).
- > Other information which Sovereign may reasonably request to help assess the claim, which may include evidence of earnings, taxable income, business accounts, Accident Compensation Corporation details or similar.
- > The *life assured* to undergo medical and/or surgical treatment (including any operation or vocational, medical and/or social rehabilitation programme) at *your*

expense which the *life assured's* Registered Medical Practitioner, or a Registered Medical Practitioner approved by Sovereign, considers necessary.

- > Any other information that Sovereign may deem relevant to the assessment of the claim.

For advice about submitting a claim you can phone Sovereign on 0800 500 108 or your Adviser. Find claim information online at sovereign.co.nz

15. Definitions of medical conditions

For more information on the listed medical conditions, visit sovereign.co.nz

Cancer

The *life assured* has suffered or undergone one of the following conditions:

Carcinoma-in-situ

A focal autonomous new growth of carcinomatous cells which has not yet resulted in the invasion of normal tissues. 'Invasion' means an infiltration and/or active destruction of normal tissue beyond the basement membrane.

This benefit only covers carcinoma-in-situ of the following sites:

- > Breast.
- > Cervix.
- > Vagina.
- > Vulva.

The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as TIS according to the TNM staging method or FIGO Stage 0.

The benefit payable is 10% of the sum assured to a maximum of \$20,000 across all *Sovereign policies*.

Carcinoma-in-situ radical surgery

As a result of a carcinoma-in-situ, an operation to arrest spread of the malignancy is performed which involves the removal of the entire organ (which includes: breast, cervix, ovary, fallopian tube, vagina, vulva, prostate, colon/rectal, bladder) affected that is considered *medically necessary* by an appropriate *specialist*.

The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as TIS according to the TNM staging method or FIGO Stage 0.

Malignant tumours

The presence of one or more malignant tumours, characterised by uncontrolled growth and spread of malignant cells, with the invasion and destruction of normal tissue for which major interventionist treatment or surgery is considered *medically necessary* by an appropriate *specialist*.

The following tumours are excluded:

- > Tumours classified as carcinoma-in-situ (including intra-epithelial neoplasia).
- > Prostate tumours with a Gleason score of less than 6. (If the Gleason score is unavailable, we will use the TNM classification and tumours classified as T1 or its equivalent will be excluded).
- > All malignant melanomas unless they:
 - are at least 1.5mm thickness as measured using the Breslow histological classification;
 - are at least Clark level 3; or
 - show evidence of ulceration as determined by histological examination.
- > Skin cancers unless they have spread to other organs.
- > Chronic lymphocytic leukaemia less than RAI Stage 1.

Prostate Cancer

As a result of a prostate tumour, the entire prostate is removed to arrest spread of the malignancy and this is considered *medically necessary* by an appropriate *specialist*.

The benefit also covers malignant tumour of the prostate histologically described as T1 or Gleason score of 5 or less for which treatment is considered *medically necessary*, and undertaken by an appropriate *specialist* to arrest the spread of malignancy including but not limited to chemotherapy, radiotherapy, or surgery.

Heart

The *life assured* has suffered or undergone one of the following conditions:

Angioplasty – less than 3 vessels

The actual undergoing of coronary artery angioplasty with or without a stent, laser or atherectomy, considered *medically necessary* by an appropriate *specialist* cardiologist, to correct a narrowing or blockage of one or two coronary arteries during the same procedure.

The benefit payable is 10% of the sum assured to a maximum of \$20,000 across all *Sovereign policies* per claim. For each *life assured* you can make more than one claim for this condition as long as at least six months has passed between each claim event; and the subsequent claim for this condition is not in respect of the same coronary artery or arteries as any previous claim for this condition.

Angioplasty – 3 vessels or more

The actual undergoing of coronary artery angioplasty with or without a stent, laser or atherectomy, considered *medically necessary* by an appropriate *specialist* cardiologist, to correct a narrowing or blockage of three or more coronary arteries during the same procedure.

Aortic surgery

Medically necessary surgery to correct or repair:

- > an aortic aneurysm;

- > an obstruction of the aorta;
- > a coarctation of the aorta; or
- > a traumatic rupture of the aorta.

For the purpose of this definition aorta shall mean the thoracic and abdominal aorta.

Cardiomyopathy

Impaired ventricular function of variable aetiology due to primary disease of the heart muscle, resulting in permanent and irreversible physical impairments to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment.

Coronary artery bypass surgery

Medically necessary surgery to correct the narrowing of, or blockage to, one or more coronary arteries by means of a bypass graft.

Heart attack

The death of a portion of the heart muscle (myocardium) as a result of inadequate blood supply to the relevant area, confirmed by a cardiologist or general physician and evidenced by:

Typical rise and/or fall of cardiac biomarkers with at least one value above the 99th percentile of the upper reference limit and at least one of the following:

- > Signs and symptoms of ischaemia which are consistent with myocardial infarction; or
- > Confirmatory new (or presumed new) ECG changes associated with myocardial infarction with the development of any one of the following:
 - ST changes;
 - T wave inversion;
 - Left bundle branch block (LBBB);
 - Pathological Q waves; or
- > Imaging evidence of new loss of viable myocardium or new regional wall motion abnormality.

A rise in cardiac biomarkers resulting from a percutaneous procedure for coronary artery disease is excluded unless the baseline value is normal and the elevation is greater than 5 times the 99th percentile of the upper reference limit.

If the above evidence is inconclusive or superseded by technological advances, we will consider other appropriate and medically recognised tests that unequivocally diagnose that a myocardial infarction of the degree of severity or greater as outlined above has occurred.

Other acute coronary syndromes including but not limited to angina pectoris are excluded.

Heart valve surgery

The undergoing of heart valve surgery performed to replace or repair one or more heart valves that cannot be repaired by intra-arterial procedures.

Out-of-hospital cardiac arrest

Cardiac arrest not associated with any medical procedure and that is documented by an electrocardiogram and occurs out of hospital, and is due to:

- > cardiac asystole; or
- > ventricular fibrillation with or without ventricular tachycardia.

Pulmonary hypertension

Primary pulmonary hypertension with substantial right ventricular enlargement established by investigations including cardiac catheterisation.

Major neurological disease

The *life assured* has suffered or undergone one of the following *conditions*:

Alzheimer's disease

The unequivocal diagnosis of Alzheimer's disease, which must confirm permanent irreversible failure of brain function. The diagnosis is confirmed by an appropriate *specialist* in psychogeriatrics, psychiatry, neurology or geriatrics.

Benign brain tumour

Full payment

A benign intracranial tumour that gives rise to characteristic symptoms of intracranial pressure such as papilloedema, mental symptoms, seizures and sensory impairment which:

- > results in neurological damage and functional impairment which an appropriate *specialist* deems to be permanent; or
- > is deemed *medically necessary* to be removed through surgery (whether it is able to be removed or not).

Neurological damage and functional impairment include but are not limited to: memory loss, impaired speech, vision loss and paralysis on one side of the body.

The presence of the underlying tumour must be confirmed by imaging studies such as a CT or MRI scan.

Excluded are cysts, granulomas and malformations in or of the arteries or veins of the brain, haematomas and tumours on the pituitary gland.

Partial payment

Unequivocal diagnosis of a benign intracranial tumour by an appropriate *specialist*.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Coma

A state of unconsciousness with no reaction to stimuli or

internal needs, persisting continuously for at least 72 hours, requiring the use of life-support systems. Coma arising from drug and alcohol abuse is specifically excluded.

Creutzfeldt-Jakob disease

The diagnosis of Creutzfeldt-Jakob disease confirmed by an appropriate *specialist* neurologist. The *life assured* must exhibit signs and symptoms of cerebellar dysfunction, severe progressive dementia, uncontrolled muscle spasm, tremor and athetosis, resulting in the *life assured* requiring permanent and continual medical supervision.

Dementia

Full payment

The unequivocal diagnosis of dementia. The diagnosis must confirm permanent irreversible failure of brain function and result in significant cognitive impairment for which no other cause has been identified. Significant cognitive impairment means a deterioration or loss of intellectual capacity that results in a requirement for continual supervision to protect the *life assured* or others. The diagnosis is confirmed by an appropriate *specialist* in psychogeriatrics, psychiatry, neurology or geriatrics.

Partial payment

The unequivocal diagnosis of dementia. The diagnosis must confirm permanent irreversible failure of brain function. The diagnosis is confirmed by an appropriate *specialist* in psychogeriatric, psychiatry, neurology or geriatrics. This benefit is only payable whilst the *life assured* is aged less than 60.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Encephalitis

Full payment

The unequivocal diagnosis of severe inflammatory disease of the brain diagnosed by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*. Encephalitis arising from drug and alcohol abuse is specifically excluded.

Partial payment

The unequivocal diagnosis of severe inflammatory disease of the brain diagnosed by an appropriate *specialist* approved by Sovereign. Encephalitis arising from drug and alcohol abuse is specifically excluded.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Idiopathic Parkinson's disease

Full payment

The unequivocal diagnosis of Idiopathic Parkinson's disease where the *condition* cannot be controlled by medication and shows signs of progressive impairment.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*. Idiopathic Parkinson's disease arising from drug and alcohol abuse is specifically excluded.

Partial payment

The unequivocal diagnosis of Idiopathic Parkinson's disease. Idiopathic Parkinson's disease arising from drug and alcohol abuse is specifically excluded.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Major head trauma

An accidental cerebral injury diagnosed by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*. Major head trauma arising from drug and alcohol abuse is specifically excluded.

Meningitis

The diagnosis of meningitis by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*. Meningitis arising from drug and alcohol abuse is specifically excluded.

Motor neurone disease

The unequivocal diagnosis of motor neurone disease diagnosed by an appropriate *specialist* approved by Sovereign. Motor neurone disease arising from drug and alcohol abuse is specifically excluded.

Multiple sclerosis

Full payment

The unequivocal diagnosis of multiple sclerosis confirmed by CT or MRI scans and the *life assured* must meet an Expanded Disability Status Scale (EDSS) level of 7.5 or more, or be permanently unable to perform one of the *activities of daily living*.

Partial payment

The unequivocal diagnosis of multiple sclerosis confirmed by CT or MRI scans.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Muscular dystrophy

Full payment

The unequivocal diagnosis of muscular dystrophy diagnosed by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*.

Muscular dystrophy arising from drug and alcohol abuse is specifically excluded.

Partial payment

The unequivocal diagnosis of muscular dystrophy diagnosed by an appropriate *specialist* approved by Sovereign. Muscular dystrophy arising from drug and alcohol abuse is specifically excluded.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Peripheral neuropathy

Irreversible inflammation or degradation of a peripheral nerve, diagnosed by an appropriate *specialist* approved by Sovereign.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*. Peripheral neuropathy arising from drug and alcohol abuse is specifically excluded.

Stroke

A cerebrovascular event producing neurological deficit. This requires clear evidence on CT, MRI or similar appropriate scan or investigation that a stroke has occurred. This requires evidence of:

- > infarction of brain tissue; or
- > intracranial or subarachnoid haemorrhage.

Excluded from this definition are transient ischaemic attacks (TIA), cerebral symptoms due to migraine, cerebral injury from trauma or hypoxia and vascular disease affecting the eye, optic nerve or vestibular functions.

Paralysis and loss of functionality

The *life assured* has suffered or undergone one of the following *conditions*:

Diplegia

Total and permanent loss of function of both arms or both legs due to injury or disease of the spinal cord.

Hemiplegia

Total and permanent loss of function of one side of the body due to brain injury or disease.

Loss of independent existence

The *life assured* is totally and irreversibly disabled, with the effect that he or she is unable, as a result of sickness or injury, to perform without the physical assistance of someone else at least two of the following activities for himself or herself (if the *life assured* can perform the activity on his or her own by using special equipment Sovereign will treat the *life assured* as being able to perform that activity):

- > Bathing and showering.
- > Dressing and undressing.
- > Eating and drinking.
- > Using a toilet.
- > Moving from place to place by walking, in a wheelchair, or with a walking aid.

Alternatively, the *life assured* is unable to perform one of the above and his or her intellectual capacity has reduced or deteriorated to such an extent that the *life assured* requires *full-time care*.

Paraplegia

Total and permanent loss of function of both legs due to injury or disease of the spinal cord.

Permanent blindness

Full payment

Irrecoverable loss of sight of both eyes (whether aided or unaided) as a result of sickness or injury. This is evidenced by:

- > visual acuity of 6/36 or less in both eyes; or
- > field of vision is reduced to 10 degrees or less of arc in the better eye; or
- > a combination of visual defects resulting in the same degree of visual impairment as either of the points above.

Partial payment

Irrecoverable loss of sight in one eye (whether aided or unaided) as a result of sickness or injury. This is evidenced by:

- > visual acuity of 6/60 or less in that eye; or
- > field of vision is reduced to 20 degrees or less of arc.

The benefit payable is 25% of the sum assured to a

maximum of \$50,000 across all *Sovereign policies*. Only one claim can be made for this partial payment per *life assured*.

Permanent loss of hearing

Full payment

The *life assured*, as a result of sickness or injury, loses all hearing in both ears (aided or unaided). The loss must be total and permanent as assessed three months after the event.

Partial payment

The *life assured*, as a result of sickness or injury, loses all hearing in one ear (aided or unaided). The loss must be total and permanent as assessed three months after the event.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*. Only one claim can be made for this partial payment per *life assured*.

Permanent loss of speech

The *life assured*, as a result of sickness or injury loses the ability to produce intelligible speech, both natural and assisted. This loss must be total and permanent as assessed three months after the event. Loss of speech related to any psychological cause is excluded.

Permanent loss of use of limbs

Full payment

The *life assured*, as a result of sickness or injury, permanently loses the use of two or more *limbs*.

Partial payment

The *life assured*, as a result of sickness or injury, permanently loses the entire use of one *limb*.

The benefit payable is 10% of the sum assured to a maximum of \$25,000 across all *Sovereign policies*. Only one claim can be made for this partial payment per *life assured*.

Quadriplegia/Tetraplegia

Total and permanent loss of function of both upper and lower *limbs* due to injury or disease of the spinal cord.

Total Permanent Disablement (Optional condition)

A *life assured* has suffered Total Permanent Disablement if the *life assured* before attaining age 65:

- A. in Sovereign's opinion becomes totally incapacitated by illness or *accident* and, as a result of that incapacity:
 - > is completely unable to engage in the occupation, or carry on the business, he or she was involved in immediately before becoming incapacitated; and
 - > for the three consecutive months after that incapacity began, has not *worked* in that occupation or carried on that business; and
 - > is, in Sovereign's opinion, after consideration of the medical and any other evidence satisfactory to Sovereign, so incapacitated that it is unlikely he or she will ever be able to resume *work* in that occupation or carry on in that business; or
- B. suffers the total and permanent loss of use of:
 - > both feet (entire feet); or both hands (entire hands); or
 - > the sight in both eyes (to the extent that visual acuity is reduced to 6/36 or less in the better eye and/or the field of vision is reduced to 10 degrees or less of arc in the better eye); or
 - > any combination of two of: a hand, a foot or sight in an eye (to the extent that visual acuity is reduced to 6/36 or less and/or the field of vision is reduced to 10 degrees or less of arc); or
- C. is constantly and permanently unable to perform at least two of the following activities without the physical assistance of someone else (if the *life assured* can perform the activity on his or her own by using special equipment Sovereign will treat the *life assured* as being able to perform that activity):
 - > Bathing and showering,
 - > Dressing and undressing,
 - > Eating and drinking,
 - > Using a toilet,
 - > Moving from place to place by walking, in a wheelchair, or with a walking aid.

Alternatively, the *life assured* has suffered Total Permanent Disablement if he or she is unable to perform one of the above activities and his or her intellectual capacity has reduced or deteriorated to such an extent that the *life assured* requires permanent and constant supervision.

If the *life assured* commences full-time domestic duties, the definition of the Optional Total Permanent Disablement *condition* will change by replacing paragraph A above with:

- "A. in Sovereign's opinion becomes totally incapacitated by illness or *accident* and, as a result of that incapacity:
 - > For three consecutive months after that incapacity began, has not *worked* in any occupation or carried on any business or engaged in any other *gainful employment*; and
 - > Following that three consecutive months is, in the opinion of Sovereign, after consideration of the medical and any other evidence satisfactory to

Sovereign, so incapacitated that it is unlikely he or she will ever be able to *work* in any occupation or engage in any other *gainful employment* for which he or she may be reasonably suited by education, training or experience, which would pay remuneration at a rate greater than 25% of the *life assured's* earnings during his or her last 12 consecutive months of *work*.”

Sovereign will at its discretion waive the three month waiting period when assessing Total Permanent Disablement if:

- > in Sovereign's opinion, the *life assured* has met all other requirements for payment under the Total Permanent Disablement condition; and
- > Sovereign expects the *life assured* to survive beyond three months after the incapacity began.

In exercising this discretion, Sovereign will consider whether the medical *condition* of the *life assured* enables an assessment to be made immediately in respect of whether the *life assured* has met all other requirements of the Total Permanent Disablement *condition*.

Sovereign will not waive the three month waiting period if, in our opinion, after considering suitable medical evidence, we believe that the *life assured* may die within three months after the incapacity began. A decision not to waive the three month waiting period will not affect our consideration of a claim under the Total Permanent Disablement *condition* if the *life assured* survives for three months after the incapacity began.

Any condition that Sovereign has reasonable grounds to expect can be reversed or improved by surgery or other treatment will not be considered as having met this Total Permanent Disablement *condition*.

Sovereign will not pay a benefit under the Total Permanent Disablement *condition* if the *life assured* dies within three months of the date that the *life assured* became incapacitated.

Other key conditions

The *life assured* has suffered or undergone one of the following *conditions*:

Advanced diabetes

Either (a) or (b) below:

- (a) The *life assured* has suffered at least two of the following complications as a direct result of diabetes as confirmed by an appropriate *specialist* approved by Sovereign:
 - Proliferative retinopathy as diagnosed by a diabetic *specialist* or an ophthalmologist.
 - Peripheral vascular disease leading to chronic infection or gangrene, requiring a surgical procedure.
 - Nephropathy requiring regular dialysis or a kidney transplant. Nephropathy includes irreversible autonomic nephropathy resulting in postural

hypotension, and/or motility problems in the gut with intractable diarrhoea, or polynephropathy leading to significant mobility problems due to sensory and/or motor deficits.

- (b) The *life assured* has been unequivocally diagnosed as suffering from insulin dependent Diabetes mellitus Type 1 and the *life assured* is aged 30 years or over. Diabetes mellitus Type 2 requiring insulin treatment is specifically excluded.

Aplastic anaemia

The *life assured* has suffered the first occurrence of bone marrow failure which results in anaemia, neutropenia and thrombocytopenia, requiring treatment over a period of at least two months with at least one of the following:

- > Blood product transfusion;
- > Marrow stimulating agents;
- > Immunosuppressive agents;
- > Bone marrow transplantation.

Chronic liver failure

The *life assured* suffers end-stage liver failure as evidenced by:

- > permanent jaundice; or
- > ascites; or
- > encephalopathy.

Liver disease arising from drug and alcohol abuse is specifically excluded.

Chronic lung disease

The *life assured* has reached end-stage respiratory failure as diagnosed by an appropriate *specialist* in respiratory disease. As a result of the respiratory failure, the *life assured*:

- > requires continuous oxygen therapy and has a FEV 1 test result of less than 1 litre; or
- > is unable to perform at least one of the *activities of daily living*.

Chronic renal failure

The kidneys of the *life assured* have reached the end-stage of renal disease resulting in chronic irreversible failure of the kidneys to function, as a result of which regular renal dialysis is instituted or transplantation performed.

HIV

Infection with the Human Immunodeficiency Virus (HIV) must have been acquired by *accident* or violence during the course of the *life assured's* normal occupation or through the medium of a blood transfusion, transfusion of blood products, organ transplant, assisted reproduction technique or other medical procedure or operation performed by a registered healthcare professional and/or in a registered hospital care institution, or surgical centre or surgical clinic. *You* must prove this to our satisfaction. Sero-conversion to the HIV

infection must occur within six months of the *accident*. HIV infection transmitted by any other means, including but not limited to sexual activity or non-medical intravenous drug use, is not covered under this *appendix*.

Any incident giving rise to a potential claim must be reported to us within 30 days of the incident and be supported by a negative HIV Antibody Test taken within seven days after the incident. Sovereign may decline *your* claim if we are not given access to independently test all blood samples used, if we require, or if the *life assured* does not allow Sovereign to take further independent blood tests.

Intensive care benefit

Full payment

A state of unconsciousness with no reaction to stimuli or internal needs, persisting continuously for at least 96 hours, requiring assisted ventilation (including the use of endo-tracheal intubation and/or tracheostomy) in the intensive care unit of a hospital.

The *life assured* must have also sustained a neurological deficit causing at least 25% permanent impairment of *whole person functioning* or inability to perform one of the *activities of daily living*. Unconsciousness caused by drug and alcohol abuse is specifically excluded.

Partial payment

A state of unconsciousness with no reaction to stimuli or internal needs, persisting continuously for at least seven days, requiring assisted ventilation (including the use of endo-tracheal intubation and/or tracheostomy) in the intensive care unit of a hospital.

Unconsciousness caused by drug and alcohol abuse is specifically excluded.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Major burns

The *life assured* has suffered tissue injury caused by thermal, electrical or chemical agents. As a result, the *life assured* has full thickness or third-degree burns to:

- > at least 20% of the body surface area (as measured by age-appropriate use of The Rule of 9 or the Lund and Browder Body Surface Chart); or
- > 50% of both hands, requiring surgical debridement and/or grafting; or
- > 25% of the face, requiring surgical debridement and/or grafting.

Major transplant surgery

The *life assured* has undergone, or been placed on the major organ transplant waiting list in New Zealand or Australia for, a transplant from a human donor of one or more of the following organs or substances:

- > Kidney;
- > Heart;
- > Lung;
- > Liver;
- > Pancreas;
- > Bone marrow;
- > Intestine.

The transplant of all other organs, parts of organs or any other tissue transplant is excluded.

Severe Crohn's disease

A *life assured* has been unequivocally diagnosed with Crohn's disease that requires permanent immunosuppressive medication or as a result of the diagnosis has undergone a surgical procedure to remove the entire large bowel.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Severe osteoporosis

The *life assured* before age 50 has been unequivocally diagnosed by an appropriate *specialist* as suffering from severe osteoporosis. The diagnosis must confirm that the *life assured*:

- > suffers at least two vertebral body fractures or a fracture of the neck of the femur, due to osteoporosis; and
- > has a bone mineral density reading with a T-score of less than -2.5 (i.e. 2.5 standard deviations below the young adult mean for bone density). This must be measured in at least two sites by dual energy x-ray absorptiometry (DEXA).

No benefit is payable in cases where there are spontaneous fractures or minimal traumas that are due to an *accident* but where coincidental osteoporosis exists.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Severe rheumatoid arthritis

The *life assured* before age 50 has been unequivocally diagnosed by an appropriate *specialist* as suffering from severe rheumatoid arthritis for at least six weeks, which affects at least three or more of the following joints:

- > Metacarpophalangeal joints in the hands;
- > Proximal interphalangeal joints in the hands;
- > Metatarsophalangeal joints in the wrist, elbow, foot, knee, or ankle.

The diagnosis must be supported by a positive rheumatoid serology or other appropriate diagnostic test evidencing rheumatoid arthritis, together with evidence confirming at least three of the following criteria:

- > Simultaneous bilateral and symmetrical joint soft tissue swelling or fluid;
- > Joint deformity typical of rheumatoid arthritis;
- > Rheumatoid nodules beneath the skin;
- > X-ray imaging showing erosion to joints typical of rheumatoid arthritis.

Degenerative osteoarthritis and all other arthritides are excluded.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

Severe ulcerative colitis

A *life assured* has been unequivocally diagnosed by an appropriate *specialist* with ulcerative colitis that requires permanent immunosuppressive medication or as a result of the diagnosis has undergone a surgical procedure to remove the entire large bowel.

The benefit payable is 25% of the sum assured to a maximum of \$50,000 across all *Sovereign policies*.

16. Definitions of conditions for the Built-in Newborn Children's Benefit and the Optional Children's and Maternity Benefit

Built-in Newborn Children's Benefit conditions

Cleft palate

A fissure of the palate at birth associated with possible separation of the lip extending into the nose. Clefts can occur on one or both sides of the upper lip.

The benefit will only be paid for those cases with cleft palate, or cleft lip and palate. No benefit is payable for hare lip alone.

Down's syndrome

A genetic disorder caused by trisomy of chromosome twenty one. Diagnosis must be confirmed through a confirmatory blood test evidencing the disorder.

Spina bifida

Congenital defective closure of the bone encasement of the Spinal cord through which the cord and meninges may or may not protrude.

Only Spina Bifida associated with a meningeal cyst (meningocele) or a cyst containing both meninges and spinal cord (meningomyelocele) or only spinal cord (myelocele) shall be covered.

Total blindness

Visual impairment in both eyes (whether aided or unaided and whether reversible or irreversible) evidenced by:

- > visual acuity of 6/36 or less in both eyes;
- > field of vision reduced to 10 degrees or less of arc in the better eye;
- > a combination of visual defects resulting in the same degree of visual impairment as either of the points above; or
- > other evidence from a *Registered Medical Practitioner* or *specialist* acceptable to Sovereign that confirms that the above requirements are likely to be satisfied.

Pregnancy Complications Benefit conditions

Disseminated intravascular coagulation (DIC)

Over activation of the coagulation and fibrinolytic system resulting in microvascular thrombosis and consumption of platelets and coagulation factors.

DIC complicating pregnancy may follow any major haemorrhage, pre-eclampsia, amniotic fluid embolism, endotoxic shock, and when foetal death occurs after 20 weeks.

Eclampsia

The occurrence of grand mal seizures in the presence of hypertension, proteinuria and oedema complicating a pregnancy, and not being due to other causes such as epilepsy.

Hydatidiform mole

Development of multiple fluid filled cysts in the uterus after the degeneration of the placenta which results in the death of the embryo as confirmed by a *Registered Medical Practitioner*.

17. Schedule of related conditions

The table below sets out some of the *conditions* that Sovereign deems to be *related conditions* to earlier *conditions* suffered by the *life assured*. This is used for the purposes of determining whether a claim in respect of a reinstated Comprehensive Living Assurance Benefit is excluded.

This list of *related conditions* is **not** exhaustive.

CONDITION FOR WHICH A CLAIM WAS PAID	RELATED CONDITION OF A SUBSEQUENT CLAIM
Any of the <i>conditions</i> in the category of cancer	Any second primary cancer arising in the same organ, or pair of organs, or tissue as a prior cancer
Any Dementia and Alzheimer's Disease	Loss of independent existence
Any multiple sclerosis	Dementia and Alzheimer's Disease, Loss of independent

	existence
Any muscular dystrophy	Cardiomyopathy
Any Parkinson's disease	Dementia and Alzheimer's Disease, Loss of independent existence
Any stroke	Parkinson's disease, Dementia and Alzheimer's Disease, Loss of independent existence, Heart attack
Any heart attack	Any stroke
Major head trauma	Coma
Advanced diabetes	Major organ transplant, Chronic kidney failure, Acute renal dialysis, Loss of sight in one eye, Permanent blindness, Loss of sight in one eye and loss of a <i>limb or limbs</i> , Stroke, Heart attack, Coronary artery bypass graft

18. Key terms

accident	Injury caused by violent, accidental, external and visible means.
accredited Adviser	Either an Adviser with a current financial adviser agreement with Sovereign Services Limited or a member of a financial services industry body approved by Sovereign.
activities of daily living	<p>The total and irreversible disablement of the <i>life assured</i> with the effect that he or she is unable to perform without the physical assistance of someone else, at least one of the following activities for himself or herself (if the <i>life assured</i> can perform the activity on his or her own by using special equipment Sovereign will treat the <i>life assured</i> as being able to perform that activity):</p> <ul style="list-style-type: none"> > Bathing and showering; > Dressing and undressing; > Eating and drinking; > Using a toilet; > Moving from place to place by walking, in a wheelchair, or with a walking aid.
annual salary	Regular remuneration that is subject to PAYE, excluding allowances in lieu of non-monetary remuneration and extra income such as, but not limited

to, bonuses and overtime payments.

close relative	A relative who is the <i>life assured's</i> spouse, mother, father, brother, sister, son, daughter, grandfather or grandmother.
child/children	<p>Any biological child/children, adopted child/children or child/children under the legal guardianship of:</p> <ul style="list-style-type: none"> > a <i>life assured</i>; or > the spouse or de facto partner of a <i>life assured</i>.
condition(s)	A treatment, illness, surgical procedure or event, as specified in this <i>appendix</i> , which meets the specified definition.
congenital condition	A health anomaly or defect which is present at birth, whether it is recognised or not, and whether it is inherited or due to external environmental factors such as drugs, alcohol, or complications during pregnancy or delivery.
full-time care	Care for 16 hours per day or more, provided by a nursing service approved by Sovereign whose profession it is to provide nursing services.
gainful employment	<i>Working</i> to generate income through personal efforts by using the <i>life assured's</i> time and skills. He or she can be self-employed, employed, earning fees, under contract, receiving commissions, <i>working</i> on contract or otherwise remunerated for his or her efforts.
life assured	A ' <i>Life Assured</i> ' named in the <i>schedule</i> .
limb(s)	<p>An arm, leg, hand or foot. In respect of this definition:</p> <ul style="list-style-type: none"> > the arm starts from the shoulder joint and ends at the wrist joint; > the hand starts from the wrist joint; > the leg starts from the hip joint and ends at the ankle joint; and > the foot starts from the ankle joint.
medically necessary	A service or supply provided by a <i>Registered Medical Practitioner</i> or <i>specialist</i> that Sovereign deems on reasonable grounds is necessary for

the treatment of the disease, illness, or injury involved.

Under no circumstances shall the following services or supplies be considered medically necessary:

- > Those services or supplies that do not require the skills or services of a *Registered Medical Practitioner* or *specialist*; and
- > Those services or supplies provided mainly for the comfort or convenience of the *life assured*.

specialist

A *Registered Medical Practitioner* who has an approved fellowship in one of the approved surgical, anaesthetic or traditional non-surgical colleges and who is registered with the New Zealand Medical Council. These include, but are not limited to, the following disciplines: general surgery, orthopaedic surgery, urology, neurosurgery, anaesthesiology, cardiology, endocrinology, gastroenterology, haematology, paediatrics, gynaecology, obstetrics, neurology, oncology, renal specialists and rheumatology.

pre-existing condition

Any disease or medical *condition* for which, prior to becoming covered under this policy, the individual consulted a *Registered Medical Practitioner*, received treatment or services from a *Registered Medical Practitioner*, or took prescribed drugs and medicines.

whole person functioning

As defined in the 'Guides to the Evaluation of Permanent Impairment – 4th Edition' (or subsequent editions), produced by the American Medical Association and measured six months beyond initial diagnosis.

related condition

Any *condition* that Sovereign, in its sole discretion, deems to be directly or indirectly related to a previous claim's *condition*. This includes:

- (a) any increase in severity level of the same *condition*, and
- (b) any *condition* that is a recognised outcome and/or complication of a previous claim or a recognised complication of any treatment administered in relation to a previous claim.

work

Personal effort using the *life assured's* time and skills, whether or not income is generated for the *life assured*. *Worked* and *working* have similar meaning.

you/your

The 'Policy Owner' named in the *schedule*.

Any two *conditions* that are both *related conditions* of a third *condition* will be treated as *related conditions* to each other for calculating the amount payable.

The Schedule of *Related Conditions* detailed in Section 17 outlines some of the *conditions* that are deemed to be *related conditions* of other *conditions*. The list is not exhaustive.

Sovereign policies

Any policy or policies where Sovereign is the insurer.