

# Monthly Disability Cover



## What is Monthly Disability Cover?

Insurance that pays you a monthly amount in the event you or one of your key people are unable to work as a result of illness or injury.

## Why do you need Monthly Disability Cover?

Monthly Disability can be used for three purposes.

### Business Overheads Cover

Business Overheads Cover removes some of the operational and financial strain of covering business expenses so you can focus on your recovery.

The amount payable for the first three months of any claim will be the sum insured, irrespective of the actual costs to the business. The amount payable after the three months will be the lesser of the sum insured or their share of eligible business overheads.

### Replacement Labour Cover

Replacement Labour Cover helps pay the costs of replacing a key person who is unable to work as a result of an illness or injury. Covering these costs assists in maintaining the business while the key person focuses on recovery.

### Revenue Replacement Cover

Revenue Replacement Cover helps replace lost revenue in the event a key person is unable to work as a result of an illness or injury.

## Monthly Disability Cover overview

### Entry criteria:

Minimum entry **age 16**  
Maximum entry **age 60**



### Maximum cover amount:

Business Overheads:  
**\$25,000 per month**



Replacement Labour and Revenue Replacement:  
**\$50,000 per month**

### Cover term:

To **age 70**



**Waiting period:** You can choose a waiting period of **4, 8 or 13 weeks**



### Payment terms:

You can choose one of the following payment terms:



Revenue Replacement and Business Overheads:  
**6 months, 1 year or 2 years**

Replacement Labour:  
**6 months and 1 year**

### Occupation classes: 1-4

Your occupation class is determined by the work you do. Your financial adviser will be able to help you work out what occupation class will apply to you.


### Mandatory cover:

Premium Cover.


Open out  
for more  
details on  
the benefits

## Premium details


### Minimum premium:

 \$20 per month  
(incl. policy fee).

### Payment frequency:

 Weekly, fortnightly, monthly,  
half-yearly, annually.

### Payment method:

 Direct debit,  
credit/debit card.

### Premium review structure

Under Monthly Disability Cover you will have a 1-year premium review period. This means your premiums will be recalculated on each anniversary date based on your sum insured, age-related changes and, if applicable, any changes to Chubb Life's protection premium rates or relevant laws.

## Monthly Disability Cover can be standard or variable

### Standard Cover

With standard cover, the monthly benefit will be based on a standard agreed amount for the duration of the benefit period.

Any partial payment would be based on the standard agreed monthly amount.

### Variable cover

With variable cover, the monthly benefit can vary from month to month, based on the needs of your business.

Any partial payment under variable cover would be based on the sum assured for the particular month you are claiming for.

## Offsets

Other business insurance income as a result of the same disability will be offset.

## Eligible business overheads

Where this cover is taken out for the purpose of business overheads, we would cover your regular day-to-day expenses incurred in the normal operations of the business, which include, but aren't limited to:

- › costs of electricity, gas, water, heating, internet, telephone, laundry and cleaning and security contract costs
- › property rates
- › motor vehicle registration and warrant of fitness for motor vehicles used in your business
- › professional subscriptions
- › business insurance premiums including key person, fire and general and professional indemnity insurance premiums, accounting and audit fees
- › advertising costs
- › rent (including building operating expenses)
- › capital repayments towards an identifiable business asset, such as plant, equipment, machinery or vehicles
- › interest directly related to business loans
- › the gross amount of salaries and related costs for your employees who do not generate income.





## What's not covered?

- › Intentional self-harm including attempted suicide
- › Taking part in a criminal activity
- › Pregnancy or complications resulting from pregnancy, unless the disability lasts more than 90 days after the pregnancy
- › Not following the advice and treatment of, or under the regular care of, a medical practitioner.

## Built-in benefits

Monthly Disability Cover provides the following benefits that are built-in:

Benefit	What is it?	How it works	Why it's important
<b>Total Disability Benefit</b>	A monthly payment if you're totally disabled and are unable to work.	If you're totally disabled as a result of an illness or injury, a monthly benefit may be payable.  Payments begin at the end of the waiting period.	Helps to meet the short to medium-term needs of your business while you focus on recovery.
<b>Partial Disability Benefit</b>	A monthly payment if you are only able to work in a reduced capacity due to illness or injury.	If you are working at a reduced capacity (working 75% or less of your pre-disability hours), as a result of an illness or injury, a partial monthly benefit may be payable.  Payments begin at the end of the waiting period. No waiting period applies if you move from a total disability benefit to a partial disability benefit.	Helps ease you back into full-time work by making sure that you do not suffer financially.
<b>Special Care Benefit</b>	A monthly payment if you become totally disabled and require full-time care at home.	If you're totally disabled as a result of an illness or injury and require full-time care at home, a monthly benefit may be payable for up to 6 months.	Peace of mind knowing that if you become seriously ill or injured, you can receive the full-time care at home you need for a period of up to 6 months.
<b>Suspension of Cover</b>	You can apply to put your cover on hold if your policy has been in force for at least 12 months.	You can apply to suspend this cover for a life assured if they are not gainfully occupied in the business, on leave without pay, or if you're having significant financial difficulties.	Allows you to temporarily suspend cover to keep costs down.
<b>Cover Conversion Option</b>	Allows you to apply to convert your Monthly Disability Cover to another policy if your circumstances change.	With the Cover Conversion Option, you can apply to convert an amount up to the Monthly Disability Cover sum insured under your policy to Monthly Disability Cover on a new policy without assessment of the life assured's health.	Allows your to keep your insurance terms should you convert your Monthly Disability Cover to another policy.
<b>Recurrent Disability Benefit</b>	Waiver of your waiting period if your disability returns within 12 months of going off claim.	We will waive the waiting period, and treat your claim as continuing, if a disability comes back within 12 months of a claim ending.	If you suffer a recurrence of the same disability you would not have to wait out the waiting period again.
<b>Vocational Retraining and Rehabilitation Benefit</b>	Cover for costs of vocational retraining or rehabilitation that we think will help you recover from your total or partial disability.	If you're on claim for a total disability or partial disability, this discretionary benefit can help pay for any approved retraining or rehabilitation programmes that may help you get your pre-disability function back or to return to work. Maximum amount payable is the lesser of 3 times the average monthly sum insured or \$20,000.	We can help support you to find the treatment or training programme that will best help you return to work.



## Optional benefits

Optional benefits that you can choose to add for an additional premium:

Benefit	What is it?	How it works	Why it's important
<b>Seasonal Adjustment Benefit</b>	An optional increase in cover by 25% for a 3-month period.	With the Seasonal Adjustment Option, we will increase the total or partial disability benefits we pay for a selected 3-month period by 25%.	Helps with additional seasonal expenses associated with your business.
<b>Business Increase Option</b>	Allows you to increase the Monthly Disability sum insured without further assessment of health if there's a justified need to increase your cover.	If the financial needs of the business are justified, you can apply to increase the standard or variable monthly sum assured without providing any further evidence of your health. At a minimum you will need to provide financial information covering the last 2 years for your business and all related entities.  You can apply to increase the monthly sum insured by up to the lesser of 50% or \$5,000 per month.  The life assured must be under 55 years old.	Allows you to keep your insurance up to date with your increasing business insurance needs without providing any further evidence of your health.
<b>Farm Consultancy Benefit</b>	A monthly payment of \$750 for specialist farming assistance if you become totally or partially disabled.	Farm Consultancy pays an additional monthly benefit for a maximum of 6 months to assist with expenses associated with engaging a Farm Consultant for services such as herd management and feed systems.	Helps provide the expertise your business needs to continue operating should you suffer an illness or injury.

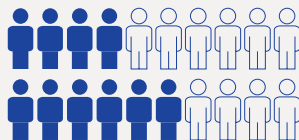
Seasonal Adjustment Benefit and Farm Consultancy Benefit are only available to Farmers and those working in the Agriculture industry.

### Some facts to think about



In 2018, the incidence rate was **129 claims per 1,000 FTEs** for self-employed people compared to 98 claims per 1,000 FTEs for employees.

(Statistics New Zealand; Injury statistics - work-related claims: 2018)



**4 out of 10 males** and **6 out of 10 females** are likely to be off work for 30-90 days due to an illness or accident before they reach 65.

(Davies Financial and Actuarial Limited, Jan 2010)



**32% of injured people** take longer than 10 weeks to return to work.  
(ACC Annual Report 2016/2017)

### If you're still not sure, ask yourself

If an illness or injury prevents you from working, will your business be able to cover its costs and run profitably without you?

If 'no' then now is a good time to talk to your financial adviser.

### **Talk to your Financial Adviser**

Call us on 0508 464 999

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