

financial protection

protect you and
your loved ones /

personal insurance



redefining / standards



Risk protection options

The AXA Risk Protection Plan provides a range of insurance options to suit your lifestyle, including Life, Trauma, Disablement and Income Protection.

Each of these products can be tailored to suit your cover requirements, be it for family and/or business.

The following is a general guide to the AXA Risk Protection Plan – your financial adviser will be able to provide more detail including full terms and conditions of our policies. Discuss your situation with your adviser and remember, as your needs and lifestyle change, so too can your risk protection options.

A disclosure statement is available from your financial adviser or AXA on request and free of charge.

introducing the /

AXA Risk Protection Plan

It's about knowing that the commitments you have made – whether they're for your family, partner or your business – can be fulfilled if the unexpected happens. It's about protecting what's important to you no matter what kind of lifestyle you enjoy and if an injury, sickness or death does occur, it's knowing that you, your family or your business are financially secure enough to cope.

At AXA we're committed to helping you live life to the full. That's why we've developed a quality risk protection package. AXA's Risk Protection Plan features a comprehensive portfolio of Life, Trauma, Disablement and Income Protection options that will help you, your family, and your business meet immediate and ongoing expenses should something happen to you.

Whatever stage of life you're at, together with your financial adviser, you can develop a plan to suit your unique circumstances and as these change, your plan can be changed to suit your needs.

So whether you're protecting your lifestyle, your income, or making sure your family can cope financially when the unexpected happens, choose **AXA Risk Protection** for peace of mind.

protecting what's important to you with AXA

In New Zealand, our local knowledge and expertise comes from operating in this country for over 125 years.

Our claims department has a well-deserved reputation for outstanding customer service.

In 2009, AXA New Zealand paid out a total of \$96.4 million in Life and Disability claims, of which \$78 million was paid for individual claims and \$18.4 million for Workplace claims (Group Employee Benefits).

AXA New Zealand currently has over 300,000 customers who benefit from our financial protection products and services.

We work with professional financial advisers throughout New Zealand to provide you with

insurance advice and protection, along with cover and premium options that are designed to meet your unique set of needs.

With AXA, you're with one of the world's leading providers of personal financial protection.

Plan a more secure future for you and your family by making AXA your financial partner for life. AXA products and services help you by protecting the things that are important to you.

life protection

AXA Life Protection pays a one-off cash payment if you die, protecting those who depend on you. It can pay off large debts, such as your mortgage and help those left behind to meet necessary expenses such as funeral costs.

Life Protection can also provide your partner and children with the money they need to take care of themselves without you. In addition, it offers a Terminal Illness Benefit so that if you are diagnosed with a Terminal Illness and given 12 months or less to live, you will be provided with a one-off cash payment.

There is also a Funeral Expenses Benefit that can provide an advance payment of up to \$15,000 to cover immediate funeral costs and associated expenses.

You can apply for the amount of cover that suits your needs. However, it's a good idea to make sure the amount is enough to at least cover your mortgage and any other large debts. There are a range of premium options available to choose from.

You can also take advantage of our Future Insurability Option, which makes it easy to alter your Life Protection arrangements to suit your changing needs. This Option will allow you to take up further cover in the future without having to provide further health evidence.

make sure you are prepared by having the financial protection you and your family need.

case study:

life protection in action

(only the names have been changed)

Andy was a 39-year-old mechanic living in Christchurch with his wife Deborah and four-year-old son, David. They had recently bought a small house and were excitedly awaiting the arrival of their second child, Lisa.

Soon after they moved into their new home, Andy began to feel constantly tired and generally off colour. Eventually, he visited the doctor and after further tests was diagnosed with advanced prostate cancer.

Andy underwent immediate surgery, but the cancer had already spread to his bones. Extensive radiotherapy and chemotherapy sessions followed and he managed to fight the disease for about two years, but it was a losing battle.

Andy tragically died the day before Lisa's second birthday.

Fortunately Andy and Deborah had both taken out an AXA Life Protection policy when they purchased their house. The money from Andy's policy enabled Deborah to cover the costs of his funeral, pay the mortgage, plan a return to work and build a secure future for Lisa and David.

Without this policy in place, this sad story would have been much worse.

think about it:

- One in seven of us will die during our working lives.

Demographic Trends, Statistics New Zealand

- One person dies of cardiovascular disease every hour in New Zealand.

National Heart Foundation/Cancer Society of New Zealand

trauma protection

AXA Trauma Protection pays you a one-off cash payment if you're diagnosed with one of 44 specified illnesses or injuries, and meet the policy requirements. It helps to provide financial stability when you need it most – when you are seriously ill or injured.

Some of the conditions you will be covered for include: major cancers, heart attacks and strokes (as defined in the policy).

You can use the payment for whatever you wish – such as medical treatment, time off work, rehabilitation expenses, home help or to pay off your mortgage – allowing you to focus on your recovery without the burden of worrying about money.

When Trauma Protection is attached to your Life Protection policy you also have the option of restoring your Life cover back to the original amount, 12 months after payment of the Trauma Benefit as the result of a claim.

You may also wish to include the Trauma Buy Back Option which allows you to reinstate your original Trauma cover 12 months after a claim, without any additional health evidence. The condition you claimed for will no longer be covered.

Children's Trauma Protection

Trauma Protection for children is available as part of a parent's Trauma Policy, or as a separate policy linked to a parent or guardian's policy.

Child's Trauma as part of a parent's Trauma Policy can provide cover of 10% to a maximum of \$20,000 of the sum insured of the parent's policy, for children aged between 3 and 18 years (and named on the schedule) who suffer one of the defined major traumas (but excluding those that only pay a partial payment for adults).

Children's Trauma Protection as a separate policy covers 13 specified illnesses and injuries and provides you with a one off payment of \$50,000 if the child covered by the policy suffers from one of the specified illnesses or injuries. Children's Trauma Protection is available if your child is aged 15 or under and must be linked to an adult policy (on a parent or guardian). Children's Trauma Protection can be in place until age 21 and can be converted to an adult policy at any time between ages 15 and 21 with no additional health evidence.

case study:

trauma protection in action

(only the names have been changed)

Jane is a 46-year-old real estate agent who is married to Chris, an accountant. They recently moved into a new family home with their 16-year-old son Mark and 13-year-old daughter Sarah. As they needed a much larger mortgage for their new home it was clear that they would be relying on both of their incomes for some time to come.

When they reviewed their insurance plan to make sure they had the mortgage and other costs covered, their financial adviser recommended that both Jane and Chris should have Trauma Protection with their Life Protection. They took this advice and within a year it became very apparent that they had made the right decision.

Jane was shocked to discover after a routine trip to the doctor for a stomach complaint, that she had bowel cancer and needed the urgent removal of a section of her lower intestine. Fortunately it was diagnosed in time, before the cancer had spread further, and the operation to remove the cancer was a success. However, Jane needed considerable time off work with ongoing chemotherapy. Her income completely stopped over this time.

AXA paid a Trauma Protection claim for Jane's cancer. The lump sum payment is being used to cover Jane's lost income, get home help and to help cover the mortgage repayments until Jane can return to work.

Without this cover the family's situation would have been considerably worse and they may have been plunged deep into debt or have been forced to sell their new family home.

think about it:

- One in 10 New Zealand women will be diagnosed with breast cancer in their lifetime.
New Zealand Breast Cancer Foundation
- 20 New Zealanders suffer a stroke each day.
New Zealand Stroke Foundation 2008
- One in 20 New Zealand adults have been diagnosed with coronary heart disease.
New Zealand Heart Foundation

disablement protection

AXA Disablement Protection pays you a one-off cash payment if you become Totally and Permanently Disabled due to injury or sickness as defined in the policy. It can help when you need it most. When you are permanently unable to work, it can provide financial stability and help you meet the ongoing expenses of day-to-day living.

You can use the money however you want – to make alterations to your home due to your sickness or injury, purchase medical equipment or pay off your mortgage. There is also a partial benefit payment available if you suffer the total and permanent loss of use of one foot, hand or sight in one eye, to help you cope with any lifestyle changes you may need to make.

Disablement Protection is available as a stand alone cover or you can choose to add it to your Life or Trauma Protection. There are two options under Disablement Protection – Any or Own Occupation. Own Occupation is available to certain non-manual occupations.

when you are permanently unable to work – disablement protection provides you with a one-off cash payment to help you pay for the ongoing expenses of day-to-day living.

case study:

disablement protection in action

(only the names have been changed)

Mark and Heather were a happily married couple in their fifties. Mark was a director of an employment agency in Auckland and Heather a secondary school teacher. Their two children had left the family home and Mark and Heather were saving for retirement.

But then, life changed. Mark suffered a severe stroke that left him completely paralysed. He was admitted to Auckland Hospital where he was treated for three months. He then spent another six months in rehabilitation.

Fortunately, Mark had put in place AXA Disablement Protection when he became the director of the employment agency.

While Mark has recovered to some extent, he has difficulty with speech and can walk only with the aid of a walking frame.

Mark is in need of constant care, so the lump sum payment from his insurance policy enabled Heather to retire and become his full-time caregiver.

The insurance money also financed a refit for their house to enable Mark to move around with relative ease. Heather also purchased a purpose-built vehicle to allow much easier access for Mark than was possible with a standard car.

think about it:

- 20% of our population are limited in their daily activities because of the long term affects of a disability. *Statistics New Zealand*
- Every day 90 people sustain a brain injury. *Brain Injury Association of New Zealand*
- On average, 20 New Zealanders suffer a stroke each day. *New Zealand Stroke Foundation*

income protection

AXA Income Protection pays you a **Monthly Benefit** if a **sickness or injury stops you from working and you suffer a financial loss**. The benefit starts after the **Qualifying Period** you have chosen. It will help pay your bills and meet your other financial commitments while you're off work, so that you can focus on your recovery.

AXA Risk Protection offers several Income Protection choices:

Deluxe Income Protection provides a monthly payment as well as additional benefits designed to help take care of unforeseen extras that can follow a serious injury or sickness – such as hospitalisation, rehabilitation and getting home from overseas.

Making the right choice of cover

When applying for Deluxe Income Protection, you can choose to have either an Indemnity or Agreed Value weekly benefit.

Indemnity benefits require you to provide evidence of lost income when you claim. Agreed Value benefits require you to provide evidence of income when you apply for cover – in order to save you time and effort when you claim. Indemnity benefits are generally taxable with a tax deductible premium. Agreed Value benefits are generally not taxable and the premiums are not tax deductible.

The monthly benefit you receive is based on an amount up to 75% of your income for indemnity policies, or 55% for Agreed Value policies.

Yearly Renewable Income Protection is designed for people who, perhaps because of their job or health circumstances, find it difficult to get Deluxe Income Protection.

Rural Income Protection is designed specifically for farmers. It provides monthly payments based on gross farm income, plus extra benefits.

For Rural Income Protection the weekly benefit you receive is based on 30% of your gross farm income.

Blue Ribbon option

Rural Income Protection is enhanced when you add the Blue Ribbon Option, improving the protection for farmers in two ways:

1. the definition of total disability is improved to make it easier to claim if you are disabled long-term;
2. allowing for an extra quarter of the weekly benefit to be paid during your nominated 'Peak Season' (you choose two consecutive months as your peak season).

Critical Income Protection provides a monthly payment if you are unable to work due to suffering a specified illness or injury (based on Trauma definitions) and you suffer a loss of income.

You may also be able to choose three additional Options:

Cover Boost Option allows you to increase your Weekly Benefit by up to 15% (up to six times) without having to provide further health evidence – so that you can keep your protection in line with your actual income. This option is only available with Deluxe Income Protection, and only for certain occupation groups.

Accident Lump Sum Option pays you a lump sum of up to 100 times your Weekly Benefit (up to a maximum of \$250,000) if you suffer a fatal accident or one that results in certain specified injuries, such as total blindness. This option is only available on Deluxe, Rural or Yearly Renewable Income Protection.

Booster Benefit Option allows for an additional benefit for the first three months of a Total Disability Claim. This benefit is only available on Deluxe Income Protection.

The extras

The AXA Risk Protection Plan offers some significant advantages, such as discounts for large amounts of cover and cost savings if you combine your insurance covers under one plan.

And if you want to protect your plan from the effects of inflation, simply ask us to automatically increase your cover based on the Consumer Price Index (a minimum of three percent per annum). Inflation adjusted cover is completely flexible – you can decide each year whether to accept or decline the adjustment.

Your Adviser can assist you in deciding which options are best for you.

case study:

income protection in action

(only the names have been changed)

David was a 46-year-old construction supervisor at a large building site in Wellington. He was recently divorced from his wife and was the primary caregiver to their ten-year-old son, Richard.

One day at work, David suffered a heart attack. He was rushed to hospital where it was determined that he would need urgent coronary artery surgery.

Given the physical nature of David's work, he was forced to take six months off work to allow a full recovery from the surgery.

David had taken out AXA Income Protection prior to his accident. As a result he was paid a Total Disability Benefit equivalent to 75% of his income, less any other disability income. This covered his rent, living expenses and the cost of looking after Richard while he recovered.

think about it:

– The most commonly registered cancer in 2007 was prostate cancer, accounting for 15.1% of registrations. Colorectal and breast cancer were the next most commonly registered sites.

Ministry of Health. Cancer: New Registrations and Deaths 2007

– 50% of working age New Zealand men are likely to become disabled by an accident or illness before age 65.

Source Disability Survey Statistics New Zealand 2007

– In 2007 the average length of an AXA Income Protection claim was 207 weeks.

your payment options /

premiums

The amount you pay depends on your age, gender, occupation, health and amount of cover. Discounts are available on a number of the product options which you can discuss with your financial adviser.

You generally have three choices of premium payment options – **Level, Stepped** or **Blended**.

Level premiums stay the same for the Level Premium Term, which provides some certainty about your future premiums. They only change if you choose to take inflation adjusted cover or if we review our premium rates.

Stepped premiums increase each year, while the level of protection remains the same. This means they start off costing you less than level premiums, but gradually increase with your age.

However if you need your protection for a prolonged period of time you could consider level premiums which may be more cost effective.

If you wish, you can choose a **Premium Freeze** on a stepped premium. This means your premium will stay the same and the amount of cover will gradually decrease each year. This option may be suitable if your need for cover is likely to reduce over time.

Blended premiums combine both stepped and level premiums into a 'blended' option. With blended premiums you pay stepped premiums for the first nine years and level premiums from then until age 65. After your 65th birthday the premiums revert to stepped premiums.

Talk to your adviser about which premium type is best for you.

Premium waiver option

If you become disabled and cannot work, the last thing you need to worry about is whether or not you can continue to pay your insurance premiums and provide security for your family.

The Premium Waiver Option allows you to plan for those unforeseen circumstances. If you become Totally Disabled due to injury or sickness the Premium Waiver Option will cover your policy premiums, after the Qualifying Period you have chosen, until you are back on your feet.

This option can be added to Life Protection, Stand Alone Trauma or Stand Alone Disablement Protection. Income Protection has a built in Waiver of Premium Benefit that covers all premiums payable on your Risk Protection Plan, if you are receiving a monthly benefit.

You can choose a Qualifying Period, for your Waiver of Premium option of 4, 8, 13, 26 or 52 weeks. The longer your Qualifying Period, the lower the premium.

Minimum premiums

The minimum premium for an individual AXA Risk Protection plan is \$135 per year, or \$11.93 per month (not including the annual policy fee).

The minimum premium for linked AXA Risk Protection policies is \$235 per year, or \$20.76 per month and can be spread across both plans (not including the annual policy fee).

AXA Risk Protection Policies can be linked so that only one policy fee is paid. Linking can be done in the following circumstances:

- Two partners (living in the same household) who each have an AXA Risk Protection Plan and are the Life Insureds on those plans;
- Two or more Policy Owners are in a business partnership (generally in the case of Key Person Protection);
- A child with Children's Trauma is linked to a parent or guardian's Risk Protection Plan.

14 day free look

It's important that your **AXA Risk Protection Plan** choices fit with your overall financial plan. That's why we provide a 14 day free look period to allow you to fully review your Policy Documentation. If you're not completely satisfied that it meets your needs, just send your Policy Documents back to us within 14 days of receiving them with a letter requesting cancellation or alteration. We'll alter the policy accordingly or cancel it and refund any premiums you've paid.

Important note The information contained in this brochure is a summary of the AXA Risk Protection Plan. Full details, including full descriptions of defined terms and details of conditions and exclusions, are set out in the Policy Documents which are available on request. For copies of any Policy Documents contact your financial adviser.

The names of the people in the case studies have been changed to protect their privacy.

www.axa.co.nz

For more information about these and other AXA New Zealand products and services, call your financial adviser or contact us on **0800 ASK AXA (0800 275 292)**.

A disclosure statement is available on request and free of charge.

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