



# AXA PERSONAL PROTECTION

*Protecting what's important to you and your lifestyle*



INVESTMENTS INSURANCE  
SUPERANNUATION

Be Life Confident

Because you never know  
how life's going to turn out...

AXA New Zealand benefits from the strength of being a member of the Global AXA Group - the world's largest insurer, coupled with local knowledge acquired during our 120 year history as National Mutual in New Zealand. It's a winning combination of global strength and local knowledge working for you.

We work with professional financial advisers throughout the country to provide insurance advice across all aspects of financial protection for your personal and business needs.

For a comprehensive insurance package you can't go past AXA's Risk Protection Plan.



“ At AXA we want to be your financial partner for life, providing you with products and services that help you protect all the things that are important to you and your lifestyle. ”

# 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 to cope.

At AXA we're committed to helping you live life to the full. That's why we've developed the ultimate 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 or business can cope financially when the unexpected happens, choose AXA Risk Protection for peace of mind.

## 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 lifestyle, be it family or business orientated.

The following is a general guide to the AXA Risk Protection Plan - your financial adviser will be able to provide more detail. Discuss your situation with them and remember, as your needs and lifestyle change, so too can your risk protection options.



## LIFE PROTECTION

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 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. It also provides a Terminal Illness Benefit, so if you are diagnosed with a Terminal Illness and given 12 months or less to live, the Benefit will provide you with a one-off cash payment.

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. If you require the cover for a longer period of time there are a range of premium options available.

You may like to take advantage of our Future Insurability Option, which makes it easy to alter your Life Protection arrangements to suit your changing needs, or if you own your own business you may consider our Business Future Insurability Option. This Option will make it easier to increase your Life, Trauma or Disablement Protection in line with the increasing value of your business. These two Options mean that you can take up further cover in the future without having to provide further health evidence\*.

*\*certain conditions apply*

### CASE STUDY – *Life Protection*

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 passed away the day before Lisa's second birthday.

Fortunately Andy and Deborah had both taken out a 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.

### Things to think about:

- One in seven of us will die during our working lives. Demographic Trends, Statistics New Zealand, 2003
- In New Zealand approximately one in four deaths are caused by cancer. New Zealand Health Information Service, Cancer: New Mortality and Demographic Data, 2006.



## TRAUMA PROTECTION

Trauma Protection pays you a cash payment if you suffer one of 38 specified Illnesses or Injuries and meet the policy definition. It provides financial stability when you need it most - when you are seriously sick or injured.

You can use the money for whatever you wish - such as medical treatment, rehabilitation expenses, home help or to pay off your mortgage - so you can focus on your recovery with financial peace of mind.

You can also choose to add Disablement Protection to your Trauma or Life Protection, which provides a one-off cash payment if you're Totally and Permanently Disabled and unable to work. There are two options available - Any or Own Occupation. Own Occupation is limited to a number of professional occupations.

Selecting the Trauma Buy Back Option allows you to reinstate 75% of your original Trauma cover 12 months after a claim, without any further health evidence.

Trauma Protection attached to Life Protection provides you with the option of restoring your Life cover back to the original amount, 12 months after payment of the Trauma Benefit.

### CASE STUDY – *Life and Trauma Protection*

Jane was a 46 year old real estate agent married to 44 year old Chris, an accountant. They had recently moved into a new family home with their 16 year old son, Julian.

While Jane and Chris were returning from a Saturday night movie they met a speeding vehicle on the wrong side of the road. The head-on collision was unavoidable.

After the impact, the car rolled and both Jane and Chris were knocked unconscious. Their injuries included broken bones and, in Jane's case, some brain damage. Chris also suffered a ruptured spleen.

While Chris has fully recovered from his injuries, Jane doesn't remember anything about the accident and the weeks that followed. She has suffered permanent memory loss, paralysis to the right side of her body and has difficulty speaking and understanding speech.

Their financial adviser had recommended Jane and Chris purchase Trauma Protection with their Life Protection policies when they purchased their first family home.

The lump sum payment Jane received from her Trauma Protection is being used to help pay for the ongoing costs of her rehabilitation and treatment. Without this cover, Jane and Chris' situation would have been considerably worse.

#### Things to think about:

- Each year throughout New Zealand more than 6000 people on average are admitted to hospital with brain injuries. Brain Injury Association of New Zealand, 2003
- There were 405 road deaths recorded in New Zealand in 2005 and an additional 2519 people reporting serious injuries from vehicle accidents. Ministry of Transport, The social cost of road crashes and injuries, June 2006



## DISABLEMENT PROTECTION

Disablement Protection pays you a one-off cash payment if you become Totally and Permanently Disabled due to Injury or Sickness. It provides financial stability when it's most needed - when you are permanently unable to work - and helps 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.

Disablement Protection is available as a Stand Alone cover or as a Supplementary Benefit to Life or Trauma Protection. There are two options under Disablement Protection - Any or Own Occupation. Own Occupation is available to a limited number of professional occupations.

## 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 until you are back on your feet.

This Option can be added to Life Protection, Stand Alone Trauma or Stand Alone Disablement Protection and is for those clients who do not have Income Protection which has a built-in Waiver of Premium Benefit.

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

## CASE STUDY – *Disablement Protection*

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 purchased 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.

## Things to think about:

- 20% of our population are limited in their daily activities because of the long term affects of a disability. Statistics New Zealand, 2004
- Cardiovascular disease, including Heart Disease and Stroke, accounts for 40% of all deaths in New Zealand. Ministry of Health, 2003
- On average, 19 New Zealanders suffer a stroke each day. New Zealand Stroke Foundation, 2003

## INCOME PROTECTION

Income Protection pays you a Weekly Benefit of up to 75% of your income (subject to certain maximums) if an Illness or Injury stops you from working and you suffer a financial loss. It will help pay your bills and meet your other financial commitments while you're off work – so you can focus on your recovery.

### AXA Risk Protection Plan offers several Income Protection choices:

- **Deluxe Income Protection** provides a monthly payment as well as additional benefits designed to help take care of the unforeseen extras that can happen after a serious Injury or Illness – such as hospitalisation, rehabilitation and getting home from overseas. There are Indemnity and Agreed Value options available.
- **Yearly Renewable Income Protection** is designed for people who, perhaps because of their job or health, find it difficult to get income protection.
- **Critical Income Protection** provides a monthly payment to be paid in the event of the Life Insured being Disabled as a result of suffering a specified serious condition, and as a result suffering a financial loss.
- **Rural Income Protection** is designed specifically for farmers, providing monthly payments based on gross farm income, as well as extra benefits.
- **Business Expenses Protection** protects your business if you're unable to work because you're Sick or Injured.

It covers the basic fixed costs actually incurred, such as rent, your employees' salaries, leasing costs, insurance and any fixed expenses which are normal and customary in the conduct of your business or the reasonable costs incurred in engaging a Locum to replace you in the business while you are Totally Disabled.

### You may also be able to choose additional options:

- **Cover Boost Option** allows you to increase your Weekly Benefit by up to 15% as many as six times, without having to provide further health evidence – so you can keep your Protection in line with your actual income. This Benefit is only available with Deluxe Income Protection.
- **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 specified injuries, such as total Blindness. This Benefit 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 Total Disability. This Option is only available on Deluxe Income Protection.
- **Mental Health Limitation Option** allows a discount to the premium when restricting the Total Benefit Period for claims arising as a result of a Mental Disorder to 24 months. This feature is designed for those clients with no mental health history.

### CASE STUDY – *Income Protection*

David was a 36 year old construction supervisor at a large building site in Wellington. He was recently divorced from his wife, and was the primary care giver of their five year old son, Richard.

One day at work, David slipped and fell awkwardly, injuring his knee.

He was taken to hospital where it was determined that he would need knee reconstruction surgery.

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

David had taken out 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 (eg ACC payments). This covered his rent, living expenses and the cost of looking after Richard while he recovered.

### Things to think about:

- Males suffered 76% of work-related injuries in the year ended June 2003.
- 8142 people were admitted to hospital in 2000/01 with knee injuries and averaged a stay of five days.  
NZ Health Information Service, Selected Morbidity Data for Publicly Funded Hospitals, 2000/01



## 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 risk cover under one plan.

And if you want to protect your plan from the effects of inflation, just 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.

### Premiums - your payment options

You generally have two choices of premium payment options - Level or Stepped. Your premiums are guaranteed not to change for the first year.

Level premiums stay the same as long as you have your Risk Protection Plan - 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. It's a good option if you think you'll be able to increase your premium payments in future.

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.

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.

### Minimum annual premium

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

The minimum annual premium for linked AXA Risk Protection policies is \$235, 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 made in the following circumstances:

- Two partners (living in the same household) have an AXA Risk Protection Plan and are the Life Insureds on those plans;
- Two or more Policy holders are in a business partnership (generally in the event 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 in with your overall financial strategic 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. We'll 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 (capitalised) 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 people described in this brochure are fictitious and any resemblance to actual individuals is entirely coincidental.

[www.axa.co.nz](http://www.axa.co.nz)

For more information about these and other AXA New Zealand products & services, contact your financial adviser or contact us on **0800 106 652** fax **0800 161 699**



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