

## What's New Update – product enhancements from 03 Sep 2018

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## Continuous Trauma Benefit (CTB)

### 1. Market leading / first to market –

- there's nothing else quite like this currently available!

### 2. New optional benefit on our Stand-Alone Trauma Recovery (TR) cover

- Available on both Personal Insurance and Business Insurance policies

### 3. Why CTB? Existing trauma reinstatement benefits (industry-wide) aren't meeting client expectations:

- Have either 6 or 12 months stand-down with no trauma cover at all during that period; and
- Customers must opt back into the cover within set timeframes; and
- Doesn't cover again for the same or related condition or event; and
- Only reinstates cover once

### 4. Continuous Trauma Cover provides...

- Continuous cover for unrelated events or conditions immediately after any trauma claim
- No 12 months stand-down
- Sum insured is reinstated immediately
- No need to re-apply – it's automatic
- Covers all payments including partials

### 5. Cover for same conditions / events

- Covers the same condition or event again after 3 years, so long as it's not a:
  - i. Recurrence
  - ii. Continuation, or
  - iii. Spread (e.g. Metastases)
- Pays the full Trauma Recovery sum insured each time

### 6. Impact on Heart conditions / Stroke

- It's very unlikely that secondary Heart conditions or Stroke aren't related to the same underlying issue as the first.
- This would be tricky for any subsequent Heart condition or Stroke to be covered again.
- However, we are making it very clear... **3 years after we pay for a Heart condition or Stroke, any subsequent Heart condition or Stroke will be covered!**

## 7. Heart conditions include:

- Heart attack, Cardiomyopathy, Coronary artery angioplasty – triple vessel, Coronary artery angioplasty, Coronary artery bypass surgery, Heart surgery (open), Out of hospital cardiac arrest, Pulmonary hypertension, Repair or replacement of aorta, Repair or replacement of valves.

## 8. Impact on Cancer

- Cancer is becoming more of a concern as incidence rates continue to rise
- People are often surviving their first cancer due to new treatments
- Concern remains for future development of another cancer.
- **So... we're providing cover again for different cancers**
- **3 years after we have paid the full TR sum insured for a cancer, we will pay the full TR sum insured for a different cancer**
- **But, if a different Early Stage Cancer occurs within 3 years we will pay a partial benefit**
- Remember, if the same cancer spreads (metastasises) – our Major Trauma Benefit (MTB) will cover it

## 9. Impact on partial benefits

- **Early stage cancer benefit (built-in)**
  - i. Remains as it was before
  - ii. Immediate cover for unrelated cancers
- **Early trauma benefit (optional)**
  - i. Covered by the Continuous trauma benefit (CTB)
  - ii. Will be reinstated under the same CTB terms
- **All claim payments are immediately reinstated, including partials:**
  - i. 100% of the sum insured is available for unrelated conditions / events
  - ii. 80% of the sum insured will be available for full trauma claims related to the partial claim already paid
- **Without CTB, partial payments are not reinstated**

## 10. How many times can you claim?

- **With CTB, the full Trauma recovery benefit can be claimed a max of 3 times over the life of the policy.**
  - i. This includes one TPD claim (if option taken)
  - ii. More instances than 3 would be unrealistic
- CTB will no longer be charged for once cover has been fully reinstated twice.

## 11. What other benefits are reinstated?

- Early stage cancer (built-in)
- Early trauma (optional)
- TPD (optional) – if not claimed
- We Pay Your Premium (optional)
- Inflation adjustment (optional)
- Grief Counselling (built-in)
- Financial planning (built-in)
- Overseas assist (built-in)
- Premium holiday (built-in)

## 12. What benefits are not reinstated?

- Special events & conversion benefits (these can't be used after a claim)
- TPD benefit if this has been claimed
- Major trauma benefit (MTB) – CTB does not cover MTB.

## 13. Impact on the Major trauma benefit

- Major trauma can be claimed at any time
  - i. Must meet MTB definitions
  - ii. Could be at the same time as TR
  - iii. MTB will not be reinstated after claim
- If unclaimed, MTB will remain even after all instances of TR used

## 14. Why only available Stand Alone?

- We were keen to get this to market and available for customers asap
- Stand Alone will test appetite and appeal
- Accelerated will have added complications
  - i. How do we handle life cover?
  - ii. We cannot bring forward Life Cover buy back
- Based on demand, we will investigate the feasibility of Accelerated

## 15. Stand-Alone Trauma Recovery – quoting, structure and options

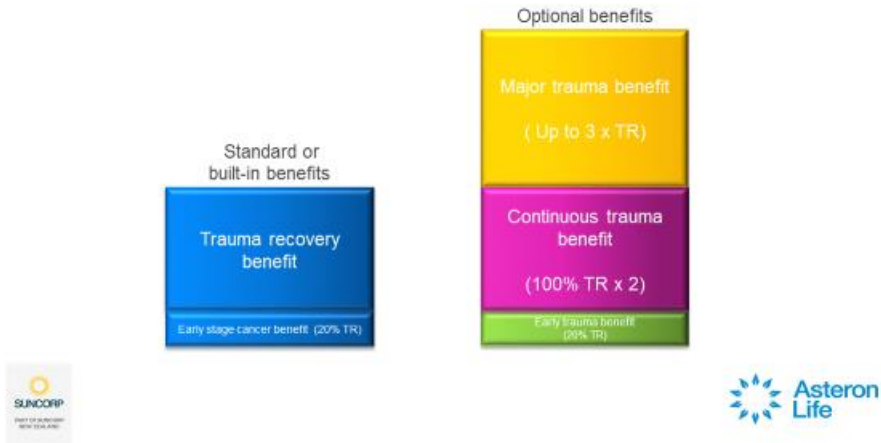
### Quoting CTB

- Its as easy as clicking a box!
- Shows Trauma Reinstatement greyed out when CTB chosen

| Standalone Trauma | Sum Insured (\$) | Premium Structure |  |
|-------------------|------------------|-------------------|--|
| Trauma A          | 100,000          | Stepped           | <input checked="" type="checkbox"/> Early Trauma Benefit<br><input type="checkbox"/> Trauma Reinstatement<br><input checked="" type="checkbox"/> Continuous Trauma Benefit |
| + TPD on Trauma   |                  |                   |  |
| Major Trauma      | 100,000          | Stepped           |  |



## Stand Alone Trauma Recovery Cover - structure and options



## Piecing it all together....

### Starting with the base package

- 45 Trauma conditions covered
- All early stage cancers covered



## You could add - Early trauma benefit

Accelerates 20% of the Trauma recovery benefit for more minor or early stage trauma conditions.

### Now includes payment for Aneurysms



You could add - The NEW Continuous trauma benefit



The NEW Continuous trauma benefit at work

Immediately reinstates the **FULL** Trauma Recovery Cover sum insured after every claim payment



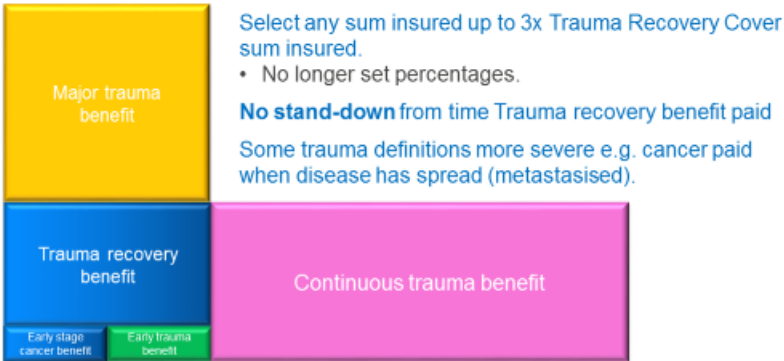
The NEW Continuous trauma benefit at work

Allows for up to **3 FULL** Trauma claims to be paid over the life of the policy.

Severity of trauma definitions **does not** increase.



## You could add - Major trauma benefit



## Mix & match the options to best suit client needs

The **Reinstatement benefit** is still available, along with:

- WPYP benefit (Now covers reinstated benefits)
- Needlestick benefit
- TPD benefit
- Life Cover buy back benefit (on Accelerated TRC)



## It's flexible and it's your choice



## 16. Case study...

- John aged 37 NB elects to have \$100,000 of Trauma Recovery (TR) benefit along with CTB, ETB and MTB of \$100,000. He also chooses We Pay Your Premium (WPYP).
- John @ age 45 claims on the ESC benefit for a small melanoma: \$20,000
  - i. TR reduces to \$80,000 for cancers
  - ii. ESC benefit reinstates **for other cancers** (due to having CTB)
- John @ age 47 has a heart attack and claims a full \$100,000 TR benefit (TR Claim #1)
  - i. TR benefit reinstates again with \$80,000 still left for cancer
  - ii. John is off work for 2 months so his premiums are paid for him (WPYP)
- John still aged 47 (same year as TR claim #1) finds another and deeper melanoma and claims the rest of his TR sum insured: \$80,000. (TR Claim #2)
  - i. TR benefit again reinstates for unrelated conditions/events. CTB now ends.
- John @ age 59 now needs open heart (by-pass) surgery and claims the following:
  - i. TR Claim #3: \$100,000 plus
  - ii. MTB Claim \$100,000
  - iii. His cover now ends.

### So how much did John receive in total?

| Age                       | Claim                     | Amount paid      |
|---------------------------|---------------------------|------------------|
| 45                        | Melanoma (ESC)            | \$ 20,000        |
| 47                        | Heart Attack (TR #1)      | \$100,000        |
| 47                        | Melanoma 2 (TR #2)        | \$ 80,000        |
| 59                        | Open Heart Surgery (MTB)  | \$100,000        |
| 59                        | Open Heart Surgery (TR#3) | \$ 100,000       |
| <b>Total paid to John</b> |                           | <b>\$400,000</b> |

All from a \$100,000 Trauma Recovery Cover with the extra payment options taken



## Other product enhancements from 03 Sept 2018...

### 17. New / upgraded Trauma definitions:

- **New ETB Condition – Aneurysm**
- Means the insured person has either:
  - i. a cerebral aneurysm of any size that is treated by a specialist medical practitioner surgically via clipping or endovascular surgery; or
  - ii. an aortic aneurysm that has been definitely identified through MRI or CT scanning and:
    1. is larger than 5.5cm in diameter; or
    2. is larger than 3.5cm in diameter and growing at a rate faster than 0.5cm in diameter per year; or
    3. has ruptured.
- Pass back applies to Personal, Business and SmartLife series (i.e. back to 2004) for those that have ETB.
  
- **New market leading STROKE definition**
- There is a disconnect between the industry standard definition for Stroke & NZ clinical practice. We have heard of genuine strokes being declined by other insurers. We have experienced claims which technically we could have declined – but we haven't.
- The core issue: standard industry definitions require proof of Stroke to be evidenced by a scan (MRI/CT). But some Strokes will never be proven by scans, yet they've definitely occurred.
- **New definition aligns with current clinical (medical) practice in NZ for diagnosing a Stroke.**
  
- **Parkinson's Disease – relaxed TR definition**
- Removed need for 25% impairment or 1x ADL
- The qualifying criteria is now: **"...requiring regular dopamine replacement medication"**
- MTB definition of 3 ADLs has not changed
- Pass back applies to Personal, Business and Smart series (i.e. back to 2004)
  
- **Muscular Dystrophy – relaxed definition**
- ETB definition now a full TR claim
- A full TR claim no longer requires:
  - i. 25% impairment
  - ii. 1 or more of the ADLs
- MTB still requires 3 ADLs
- Pass back applies to Personal, Business and Smart series (i.e. back to 2004)



## 18. Variable MTB sum insured

- No fixed percentages any more.
- Can now choose the sum insured up to a maximum of 300% of TR sum insured (3x)
- The minimum is \$5,000 and increased by increments of \$5,000.

## 19. Terminal Illness Support benefit (new optional benefit)

- Pays the sum insured if the insured is diagnosed with a terminal illness and has less than 24 months to live; and survives longer than 30 days.
- Up to 100% of Life Cover sum insured or \$300K (lesser of)
- It replaces our current optional Terminal illness booster benefit
- Terminal illness benefit (12 months) is retained as a built-in benefit – IE:
  - i. If diagnosed terminally ill between 12 -24 months, the Terminal illness Support benefit is paid and the Life Cover remains intact for the purpose it was applied for.
  - ii. At 12 months or less the Life Cover can be still be paid in advance under the Terminal Illness benefit.
- No set percentage of existing life cover
- Not limited to specific illnesses
- Leaves Life Cover for its intended purpose

## 20. Kids Cover

- The initial and free cover is now \$50,000 (up from \$10k)
- This can be increased by \$10,000 without medical underwriting at 6,10,14 and 16 years
- Each additional increase of \$10k is still \$1 / month
- Underwriting at application still applies (IE: cover must be applied for)
  - i. Conversion to full cover benefit applying at age 21 without medical underwriting applies.
- Other conditions and benefits remain the same
- Pass back applies to Personal, Business and Smart series (i.e. back to 2004)
  - i. For all existing customers, new claims from 3rd Sept will be paid an additional \$40K

## 21. Special events increases

- Maximum now: 50% or \$300,000 (Prev. \$200,000)
- Pass back applies to Personal and Smart series (i.e. back to 2004)
- Market comparison:
  - i. Asteron Life 50% or \$300k
  - ii. AIA 50% or \$300k
  - iii. Fidelity 50% or \$250k
  - iv. OnePath 50% or \$250k
  - v. Partners 75% or \$250k
  - vi. Sovereign 50% or \$250k

**22. Reinstatement and Life buy-back**

- Policy wording clarification that when level premiums are 'bought back' the premium charged is that of the age of the client at cover commencement, using the current level premium rate.

**23. New parent premium waiver benefit** (built-in to MLC / LOE / LOE+)

- Replaces Pregnancy premium waiver.
- Parameters
  - i. Maximum 6 months per waiver
  - ii. Adoptive or biological parenthood
  - iii. Must be on leave for more than 3 months
  - iv. 12 months stand-down from commencement
  - v. One waiver period per child
- Pass back applies to Personal and Smart series (i.e. back to 2004)

**24. Business – total disability definition enhancement**

- Have added 'gainfully' into the total disablement definition
- This prevents voiding the 10 hours definition where they could 'work' in their business for that time but not actually generate an income.

**25. Extended WPYP benefit to cover reinstated benefits** (Passed back to 2004)

**26. Extended Premium waiver** to cover Personal IP covers when on Business claim

**27. AsteronConnect enhancements**

- Changed the colours on the graphs in AsteronConnect
- Updated over 70 Underwriting Rules Engine questions