



Oct 15, 2021

## Reducing jargon. Product streamlined.

Kia ora,

Things are starting to get 'real' as we progress with our aspiration to reimagine life insurance for New Zealanders!

We've spent a lot of time recently speaking to customers and advisers to understand what they want and need from us and have taken those insights and worked through a number of improvements which we're now ready to start rolling out.

To kick things off, we're starting with enhancements to customer documentation and tweaks to our product offering. All of which we hope will enable better customer outcomes.

Here's what you can expect.

### **We're making things easier to understand.**

We recognise that insurance can be complicated and full of jargon! To support our goal of delivering good customer outcomes, we've revised a number of our customer documents to remove unnecessary jargon and simplify the language

so it's easier to understand.

We've also made a number of terminology changes to our policy wordings. For example, changing 'sum assured' to 'sum insured', 'date of commencement' to 'start date' and 'life assurance' to 'life cover' (to name a few).

You'll start to see simplified language across several other customer documents including new customer brochures that will launch in the coming months.

## **We've updated our product offering.**

We've made some adjustments to our current product offering which will begin to take effect from mid-late November 2021 onwards.

So, what's changing?

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### **Enhancements to CPI option and Indexation option.**

Currently, if an increase is made to an existing cover that has CPI or Indexation in the 6-months before policy anniversary, the inflation increase won't take effect until the second anniversary after the increase.

This restriction has been removed which means that no matter when the customer increases their Platinum Plus, Platinum Plus Level or Mortgage Protector policy, the CPI or Indexation will be applied to the increase at their policy's anniversary.

Note - This enhancement will apply to new business issued on the amended wordings.

### **Survivor's income cover.**

The options under Survivor's income cover have been simplified. The option that pays for the life of the beneficiary, and benefit periods to ages 55, 60 or 65 have been removed and the available benefit periods have been updated.

These benefit periods now apply: 2, 3, 4, 5, 6, 7, 8, 9, 10, 15, 20, 25 or 30 years.

**Amendments to definitions for new business going forward.**

The **class 1-4 definition of 'total disability'** has been updated for our income protection-type covers.

**Currently**, to be considered totally disabled a customer must be:

- under the regular and personal care of a medical practitioner, and
- unable to:
  - perform at least one important income producing duty, or
  - engage in their own occupation for more than 10 hours a week;  
and
- not working in any other occupation.

**Moving forward**, a customer will be considered totally disabled if they're:

- under the regular and personal care of a medical practitioner, and
- unable to:
  - perform at least one important income producing duty, or
  - engage in their own occupation for more than 10 hours per week,  
and
- not engaging in any occupation other than up to 10 hours per week in their own occupation.

There's no change to the income earned in those 10 hours – it still won't be offset.

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**Severe inflammatory bowel disease** - we've restructured the definition to make it clear that both Crohn's disease and ulcerative colitis need to have failed surgical

treatment. The revised wording for severe inflammatory bowel disease for trauma covers is:

The confirmed diagnosis by an appropriate specialist medical practitioner of either:

- Crohn's disease, or
- ulcerative colitis,

that has failed surgical treatment, is resistant to conventional medical intervention, and requires either:

- permanent immunosuppressive therapy, or
- surgical removal of the entire large bowel (colon and rectum).

#### **Funeral fund and Defined disability income protection cover.**

Funeral fund and Defined disability income protection cover will be removed from sale.

### **Next on the horizon.**

As well as the new-look customer documentation, our enhanced reporting is just around the corner! The new reports will help you to better manage your new and existing customers, find opportunities within your book and track your business performance.

Data is a powerful tool for modern advice businesses! We're building data solutions that will provide you with richer reporting and insights to support you in driving your business forward and allowing you to make informed decisions on what warrants your attention.

We'll give you more information closer to the time as well as tips for you to get the most out of it. If you have any questions, please get in touch with your Business Manager.