

40+

A guide to insurance for over 40s

*This guide is for customers who
are covered by a policy issued
by Resolution Life*





How insurance can help you in your 40s

Your 40s are a balancing act. You might be deep into your career, juggling family life and managing financial responsibilities. With so much going on, it's easy for insurance to fall off the radar. But now's a smart time to think about what you're protecting. Life doesn't always go to plan and asking "what if?" can help you prepare for the unexpected.

Planning ahead in your 40s can make a real difference. We understand affordability matters, and we're here to help you find the right balance between cost and cover. As your life evolves, your insurance can too - so you can keep pace with your goals and protect what matters most.

Learn more about the benefits of insurance for those in their 40s.



In 2024, Resolution Life New Zealand paid out

\$155m to over **2,141 customers**

for insurance claims, equating to approximately

\$424,229 paid every day¹

1. 2024 Resolution Life claims paid New Zealand. [Resolution Life claims paid 2024 - Resolution Life](#)

Do I really need insurance in my 40s?

While your financial goals may have changed, the need to protect your family and financial future still exists.



The average life expectancy in New Zealand is 80 for males and 84 for females.²



Protect your family

The right insurance provides vital financial support if the worst happens – helping cover mortgages, debts, and living costs for your family. It can also protect against unexpected medical bills or the cost of aged care if you're unable to care for yourself due to serious illness or injury.



In 2024, the top reasons for insurance claims with Resolution Life New Zealand were *cancer (37%) and heart attack, stroke and other circulatory diseases (26%).³*

The average age of customers lodging income protection claims with Resolution Life New Zealand is approximately

53 years⁴

Protect your income

If something happened to you, could your family keep going without your income? What about your home, your savings, your plans for the future? Income protection insurance can help you and your family maintain your quality of life if your ability to earn your income is impacted.

Protect your retirement

If you're working hard to pay off the mortgage or build up your savings or investments, an accident or illness could derail your plans. Insurance can help protect your financial goals and assist you to achieve the type of lifestyle you are planning for.

Around **half a million dollars**

in savings on top of NZ Superannuation may be needed for a 'comfortable' retirement for a two-person household in rural areas

– and over

\$1 million

may be needed in major cities.⁵

2. Tatauranga Aotearoa Stats NZ, [National and subnational period life tables: 2022–2024](#) [National and subnational period life tables: 2022–2024](#) | Stats NZ

3. 2024 Resolution Life claims paid New Zealand. [Resolution Life claims paid 2024 - Resolution Life](#)

4. 2024 Resolution Life Australasia claims statistics.

5. New Zealand Retirement Expenditure Guidelines 2024. [NZ Retirement Expenditure Guidelines 2024](#)

Do I really need insurance in my 40s?

Protect against the financial impact of illness and accidents

Health issues can become more top of mind as we get older. Trauma and total and permanent disability (TPD) insurance can help you pay for things such as out of pocket medical expenses, treatment costs, home modifications and rehabilitation expenses.



In 2024, the top reason for trauma insurance claims with Resolution Life New Zealand was cancer (73%).⁶



Leave something behind

Life insurance gives your loved ones financial support when you pass away – covering debts, final expenses, and helping care for children, grandchildren, or elderly parents. It ensures you continue to support those who matter most.

Cover final expenses

Funerals can be costly. Your life insurance policy may provide an advance of up to \$15,000 of the sum insured to be paid before the claim has been fully assessed to cover your funeral and other related expenses, easing the financial burden placed on your family.



The average cost of a funeral in New Zealand is approximately \$10,000, but only 5% of New Zealanders have pre-planned their funerals.⁸

An estimated

\$1.6 trillion
in assets

will be transferred between
generations in New Zealand
by 2050.⁷

6. 2024 Resolution Life claims paid New Zealand. [Resolution Life claims paid 2024 – Resolution Life](#)

7. 2025 JBWere Bequest Report. [JBWere-Bequest-Report-2025.pdf](#)

8. New Zealand Seniors. [How much does a funeral cost](#)

The different types of insurance

Life in your 40s can be complex, and everyone’s needs are different. While no one likes to think about bad things happening in life, it’s important to consider how financially secure you and your family would be if things went wrong. That’s where Resolution Life’s personal insurance products can help protect you and your family.



Life insurance

Life insurance, otherwise known as death cover, provides a lump sum payment if you die or are diagnosed with a terminal illness and have less than 12 months to live despite of any available treatment.* Life insurance allows you to protect the people who depend on you financially.

*Refer to the relevant policy document for the exclusions and terms and conditions that apply.



For more information about our life insurance products visit resolutionlife.co.nz/personal-insurance

Total and permanent disablement insurance (TPD)

TPD provides a lump sum payment if you become totally and permanently disabled because of an injury or sickness.

TPD insurance can be used to fund out of pocket medical expenses and costs associated with a long-term disability, like full time care or home modifications. It can also be invested to produce an ongoing income stream, to supplement an income protection insurance benefit.

The different types of insurance

Income protection insurance

Your ability to earn an income is likely to be one of your most valuable assets in life. How long would you be able to sustain your lifestyle and meet your financial commitments without it?

Most income protection insurance pays a monthly benefit of up to 75% of your regular income if you're unable to work due to illness, accident or injury.*

*Refer to the relevant policy document for the exclusions and terms and conditions that apply.



Trauma insurance

Trauma insurance (sometimes referred to as critical illness insurance) provides a lump sum payment if you suffer a specific medical condition, as defined in your policy. Some of the more common defined events include cancer (of specific severity), heart attack (of specific severity) and stroke (diagnosed).

Trauma insurance provides a lump sum payment that can assist with financial support to help cover:

- the costs of care, and
- recovery associated with specific medical conditions, as defined in your policy.

The most common causes for Resolution Life Trauma claims in 2024 were

heart attack, stroke and other circulatory diseases (27%)

for males and

cancer - other (33%)

for females (this category includes cancers such as malignant and pancreas).⁹

9. 2024 Resolution Life claims paid New Zealand. [Resolution Life claims paid 2024 - Resolution Life](#)

Understanding insurance premiums for over 40s

The cost of your insurance is likely to change each year, and you may wonder why. We want to help you understand your premium (how much you pay) - how your premium works, how we calculate it, and why it may change.

How your life insurance premium works

Your premium contributes to a shared pool of funds that helps to pay claims.

We'll base your premium on your circumstances (such as the factors listed below), the cover and options you've chosen, your premium type (stepped/variable age-stepped or level/variable), and your plan structure (multiple policies linked under the same plan or standalone cover). That's why each person's life insurance policy may be different.

By using key factors to vary premiums, they reflect your likelihood of making a claim. That is how we make sure each policyholder's premium makes a fair contribution to the shared pool of funds. However, policyholders with the same circumstances and cover, pay the same premiums.

Your circumstances which we may consider could include:

- Your age at policy anniversary
- Gender
- Smoking status
- Your medical and general health history and pastimes when you applied
- Your occupation or hobbies
- Premium structure and payment frequency you have
- Your product type and options chosen
- Your state of residence for stamp duty purposes.

Why your premium may change each year

Each year we re-calculate your premium and it may change due to several factors including:

- **Age-based increases** – If you're paying a stepped/variable age-stepped premium, the cost of your cover usually rises each year as you age, because the risk of you suffering a claim event increases as you get older.
- **Inflation (also known as indexation, cost of living, CPI)** – Your sum insured may increase each year to keep up with inflation. As your sum insured increases, generally so does your premium. These increases are referred to as an inflation adjustment, and you can choose whether to have this adjustment every year, or you can opt out of them. You can opt out of the inflation adjustment in **My Resolution Life**.
- **Product and premium structure** – For example when eligible cover changes over time due to product design, or if your premium style changes.

In addition to the above factors, there can be changes to the underlying premium rates used in the calculation.



Understanding insurance premiums for over 40s

Why underlying premium rates may change

From time to time, we may change underlying premiums to balance the need to ensure our products remain sustainable and we're able to pay out future claims, against the desire to remain competitive and affordable. Factors contributing to the change in underlying premium rates include:

- **Cost of paying claims** – Regular reviews of our product pricing seeks to ensure we can continue to sustainably support our customers over the long term.
- **Industry-wide challenges** – Factors such as the rising cost of living and number of claims affect all life insurers.
- **Wider economic challenges** – What is happening in the economy can put pressure on insurance premiums, for example interest rate fluctuations and the impact of returns on investments held.

Why level/variable premiums can also change

Level/variable premiums aren't subject to age-based increases and generally stay the same for each layer of cover during the term of your plan. However, level/variable premiums can change for other reasons.

Your overall premiums will change if:

- you change the sum insured or change your cover
- you accept the inflation adjustment increase in cover each year, or
- if we review the base premium rates for your product as a whole.

Premiums (and any applicable fees or government charges) can change, regardless of the premium type. If Resolution Life reviews base premium rates, any change in the base premium rate will apply to all plans of the same type.

Level/variable premiums are typically not guaranteed, and the underlying base rate can change as detailed above.



Consider before cancelling

It's easy to forget why you took out insurance, and rising premiums might tempt you to cancel or reduce your cover

But doing so could mean losing valuable protection – and it may be hard to get it back. A new policy or increase of cover might require medical checks, and changes in your health or lifestyle could affect your eligibility, condition, cost, or exclusions.



*Before cancelling, speak with a financial adviser or **contact us** to explore your options*

Depending on the product you hold, you might be able to use our cover adjustment tool in **My Resolution Life** to decrease your sum insured, modify waiting and benefit periods and instantly receive updated quotes and cover options.

How can Resolution Life help?

If you are entering a new life stage, such as growing your family or have taken on a (new) mortgage, your insurance needs may have changed. You can take advantage of Resolution Life's insurance product flexibility and built-in features, to make sure your insurance continues to meet your needs and remains affordable.

Over the next few pages, we'll detail some of these options and possible changes you can make, to keep your cover relevant and affordable. Please speak to your financial adviser regarding your specific cover needs. You can **contact us** or your financial adviser for a quote or you may be eligible to use our cover adjustment tool in **My Resolution Life** to find out how much your insurance cover will cost if you make any changes.

Right-sizing your cover for over 40s

It's important to remember why you protected yourself and your family with insurance in the first place. It may have been to provide peace of mind for one or several of the below reasons, if something were to happen to you:

- help pay off the mortgage
- pay outstanding bills
- fund your children's education
- financial help if you can't earn an income for a period due to sickness or injury
- help with out-of-pocket medical costs
- provide a lump sum to supplement any reduction in your income due to sickness or injury.

Maintaining your life insurance cover becomes increasingly important as you move through different stages of life. As responsibilities grow and health risks change, having the right protection in place ensures your loved ones are supported when it matters most.

You can take advantage of Resolution Life's product flexibility and built-in features to make sure your insurance continues to meet your needs and remains affordable. We explain some of your options below. **Contact us** or your financial adviser to help implement any changes.

1 Change your cover

Reducing your cover or making changes to your insurance is one way to ensure you remain covered while keeping your policy affordable:

- **Reduce how much cover you have** – As life changes, you can adjust your cover. You may need more or less cover than before and there are options to reduce your cover to lower your premiums, while still keeping protection in place.



Right-sizing your cover for over 40s

- **Increase the waiting period (income protection)** – a ‘waiting period’ is the period of time between becoming disabled or ill, and when an income protection benefit starts being paid. You may have accumulated extra sick or holiday leave that can provide an income buffer if you are unable to work due to sickness or injury. By increasing your ‘waiting period’ for example from 30 days to 60 or 90 days (longer waiting periods are available) you may reduce your premium.
- **Removing additional options** – your insurance policy may include additional cost options – like premium waiver, Life cover buy back, which carry additional costs. Removing an option that you no longer require can help reduce your premiums, but it does remove the benefit of the option. You can ask us to remove any additional options. But remember that if you do cancel these, you will not be able to claim under them and may not be able to add them back in the future if you change your mind.
- **Restructure your insurance from standalone to linked** – if you have life, total & permanent disability and/or trauma insurance, you may be able to choose to make the covers either standalone plans or link them under the same plan. Standalone plans usually have a higher premium than linked cover, as any claims on one type of cover generally reduces the sum insured for the linked cover. For this reason, standalone plans are more expensive.
- **Opt out of inflation adjustments** – to make sure your cover keeps up with the cost of living, we generally offer an automatic increase to your amount of cover each year, without you needing to provide medical or other details. This is called an ‘inflation adjustment’ or ‘automatic inflation’. Each year we increase your sum insured by either a fixed percentage or the increase to the consumer price index (CPI). We’ll apply whichever of these is higher, which means you’ll get more cover. As your cover increases so does your premium.

You can opt out of the increase for any particular year or permanently and this change will take effect from the next policy anniversary. This can be done in the **My Resolution Life** portal, just search for ‘inflation adjustment’.



Right-sizing your cover for over 40s

2 Change how you pay

The premium structure or premium frequency you choose on your plan may affect the premium you pay. Reviewing these may help reduce your premium.

- **Change your payment frequency** – Most insurance products offer savings when you pay your premiums annually. While some may charge more for more frequent payment options, choosing annual payments can help reduce your overall premium. You can request a change to your payment frequency at any time through the **My Resolution Life** portal.



3 Review your health and pastime loadings

Your medical history, pastime and occupation all contribute to how your insurance cost is calculated. If you have changed your occupation to a less manual occupation, stopped smoking, or had an improvement in health and have an existing health loading on your policy, you may be able to apply to have your cover reviewed and reduce your premium:

- **Has the nature of your work changed to less manual duties** – TPD and IP insurance is generally more expensive for those who have more manual occupations, due to a higher accident/injury risk. If you have moved to an occupation that is less manual, for example you are now a supervisor rather than on the tools, we may be able to reassess your occupation, subject to underwriting.
- **Request a reassessment of health loadings/exclusions** – for certain medical conditions, a health loading or an exclusion may have been applied to benefits under your policy. A health loading is a percentage increase in the cost of the premium.

If you had health conditions when you originally purchased your insurance, for example high blood pressure or cholesterol or you had back or knee pain which resulted in a loading or exclusion applying to your benefits, and your health has since improved, we may be able to reassess your health loading, subject to underwriting.

- **Request a reassessment of pastime loading/exclusion** – certain sporting and recreational pastimes, such as climbing, motor sports or scuba diving are considered risky and may result in a premium loading or an exclusion. If you are no longer participating in these types of pastimes, we may be able to remove the loading or exclusion, subject to underwriting.

Review your insurance checklist

Use this checklist to record your current insurance details, reflect on your needs, and track any changes. Bring it with you if you speak to a financial adviser.

Assess your current situation

1 What are you covered for?

What type/s of insurance cover do you have? How much would you or your family receive at claim time?

My current cover includes:

2 Does this meet your current needs?

Would this meet your financial obligations and lifestyle expectation? Consider how much remaining debt you have and how much cover you might need. Is the cover you currently have too much, or not enough? Consider whether you want to reduce or increase how much you're covered for.

My family would receive:

3 Can you continue to afford the same level of cover?

How much are you paying and can you afford this? If not, what changes can you make to your insurance policy to make it more affordable? Refer to the previous pages in this guide or **contact us** or your financial adviser to understand your options.

Changes I want to make:

Getting help from a financial adviser

It's a good idea to speak to a financial adviser before making changes to your insurance. They can assess your personal situation and help you decide what's right. You may already have an adviser who set up your policy. If not, ask family or friends for referrals – they can also share insights on the process and costs. We recommend researching advisers online, checking reviews, and confirming they're accredited.

A financial adviser can help you review your insurance based on your personal circumstances and help you decide whether anything needs updating or changing.

You might already have a financial adviser who helped you set up your insurance policy.

If you don't have a financial adviser and need help finding one, referrals from family or friends can be a good place to start. They might also be able to share insights into the process and the cost involved. Make sure you research any prospective financial advisers online, checking their reviews and making sure they are licensed.

Resolution Life customers are supported by a registered adviser or adviser business, who can provide advice and assistance regarding your insurance policies with us. Please note that these advisers operate independently of Resolution Life.

For an adviser business to provide advice to Resolution Life policyholders, they **must**:

- a. Have a distribution agreement with Resolution Life; and
- b. Have accredited advisers to give advice on some or all of Resolution Life's insurance policies.



Alternatively, you can commence an independent search for a new financial adviser via the **Financial Advice New Zealand** website to find an adviser in your area.



Updating your insurance

If you've made the decision to update or change your insurance, we can help. There are a few ways you can go about actioning your request:

- 1 Log in to ***My Resolution Life*** and check whether the change you're requesting can be actioned online. You may be eligible to use our cover adjustment tool to find out how much your insurance cover will cost if you make any changes.
- 2 Speak to your financial adviser – they can make changes to your insurance policy, on your behalf.
- 3 Chat with us online at ***resolutionlife.co.nz*** – we can help you make changes to your insurance policy.



We're here to help

Visit our ***Insurance Insights*** hub to explore more insurance topics. You can also ***contact us*** or chat with us online at ***resolutionlife.co.nz***.

Please note that while we can't provide you with personal financial advice, we can help you with factual information about your Resolution Life product(s). We can also help you implement any product changes you've decided on.

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What you need to know

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