



This is your *AIA* Cover for Life policy document.

Understanding your policy document

We want you to feel confident about your insurance decisions. This policy document explains how your insurance cover works. It's important that you read it and understand what your insurance does and doesn't cover.

If you have any questions or would like a more detailed explanation of your benefits, you can contact your adviser or get in touch with us directly using the details below.

Free look period - your time to review and reconsider

If you're not happy with your insurance cover, or change your mind, you can ask us to cancel it. If you cancel within 15 days of receiving your policy documents and you haven't made a claim, we'll refund any *premiums* you've paid.

Making a claim

We understand that making a claim can be a stressful time in your life, and we're committed to making the process as fast and simple as possible. We also have one of New Zealand's largest and most experienced claims teams and a transparent review process.

If you need to make a claim, we recommend doing so as soon as possible. Our claims team is here to guide you through the process and help you understand the information we need to assess your claim efficiently.

Reviewing your insurance cover

As life changes, insurance needs can change too. We recommend reaching out to your adviser regularly to review your insurance. This is especially important when celebrating a milestone – for example a change in relationship status or adding to the family.

We're here to help

If you have any questions about your cover, would like to discuss other products and services, or need to make a claim or complaint, we're always here to help.

> Talk to your adviser

Keep in touch with your adviser, they're there to help and will be able to support you at any stage should you need it.

> Talk to us

Our Customer Relationship Team is available Monday to Friday, from 8:00am to 6:00pm. You can Live Chat with us at aia.co.nz/chat or call us on 0800 500 108.

Contents

1	About this policy	3
	> Defined words	
	> When does your policy start?	
	> Policy ownership	
	> Who does your policy cover?	
2	Benefits – what you are covered for	3
	> Life Cover Benefit	
	> Bereavement Support Benefit	
	> Repatriation Benefit	
3	Special Events Increase Facility	3
	> What is the Special Events Increase Facility?	
	> What is the maximum cover that can be added?	
	> What are the other conditions applying to this Facility?	
4	Exclusions – when AIA won't pay a benefit	4
5	Your <i>premiums</i>	4
	> <i>Premium</i>	
	> <i>Premium payment term</i>	
	> <i>Guaranteed premiums</i>	
	> Method of paying <i>premiums</i>	
	> What happens if you do not pay the <i>premium</i> on time?	
6	<i>Paid-up</i> option with reduced cover	4
	> When can the policy be made <i>paid-up</i> ?	
	> How will the reduced <i>sum assured</i> be calculated if the policy is made <i>paid-up</i> ?	
7	Changes to your policy	5
	> Decreasing your <i>sum assured</i>	
	> Increasing your <i>sum assured</i>	
	> Making your policy <i>paid-up</i>	
	> Change of smoker status	
	> Change of ownership	
8	When can your policy be cancelled?	6
	> When can you cancel your policy?	
	> When can AIA cancel your policy?	
	> Cancellation due to Sanctions	
	> Non-disclosure or the provision of false or misleading information	
9	How to make a claim	6
10	Important information	7
	> What forms part of this policy contract?	
	> Policy subject to laws of New Zealand	
	> Statutory Fund	
	> Notices	
	> Information about your policy	
	> Worldwide cover	
	> How do you make a complaint?	
	> No surrender value	
11	Key terms	8

1. About this policy

Your *AIA* Cover for Life policy will pay a Life Cover Benefit when the *life assured* dies.

Details of the Life Cover Benefit including the *sum assured*, the *life assured*, *premium payment term* and *paid-up eligibility date* are shown in the *schedule*.

AIA Cover for Life offers lifelong protection with payment options that are designed to provide flexibility and certainty. When buying the policy, you choose your *sum assured* as well as the term during which guaranteed level *premiums* will be payable (the *premium payment term*). At the end of the *premium payment term* the *premiums* stop but your cover continues until the death of the *life assured*.

If you experience hardship or your circumstances change, the policy has an option to be made *paid-up*. This is available any time after the policy has reached the *paid-up eligibility date* and before the *premium end date*. If you do this, the *premiums* stop, but your cover continues until the death of the *life assured*, with a reduced *sum assured* that is intended to reflect the *premiums* you have already paid.

Defined words

Some words in this document are italicised indicating they are key terms that are defined in section 11: Key terms.

When does your policy start?

Your policy starts on the *risk commencement date*.

Policy ownership

Your *AIA* Cover for Life policy is a contract between the *policy owner(s)* and *AIA*. If more than one person is named in the *schedule* as *policy owner*, the policy is owned by all of them jointly.

AIA will pay all benefits to the *policy owner*, or to the *policy owner's* estate. If more than one person owns the policy then *AIA* will pay all benefits to the *policy owners* jointly or as they jointly direct, or to the survivor(s) of the *policy owners*.

Who does your policy cover?

AIA Cover for Life applies only to the *life assured* as named in the *schedule*.

2. Benefits - what you are covered for

Life Cover Benefit

AIA will pay the *sum assured* when the *life assured* dies.

AIA will pay the benefit once we are satisfied with all the information which must be presented at the time of making a claim (see section 9: How to make a claim).

Bereavement Support Benefit

Upon receiving evidence acceptable to *AIA* that the *life assured* has died, *AIA* will pay the lower of:

- > the *sum assured*; or
- > \$25,000.

This Bereavement Support Benefit will be treated as an early

payment of the Life Cover Benefit. The Life Cover Benefit will then be reduced by the amount paid under the Bereavement Support Benefit. If the *life assured* has more than one policy with *AIA*, only one Bereavement Support Benefit will be payable for the *life assured* across all *AIA* policies.

Repatriation Benefit

If the *life assured* dies, *AIA* will reimburse the *policy owner(s)* for the costs of returning the *life assured's* body to New Zealand or their *home country* upon receipt of evidence acceptable to *AIA*.

If the *life assured* is the sole *policy owner*, *AIA* will reimburse the person that has paid for the costs of repatriation upon receipt of evidence acceptable to *AIA*.

The maximum amount of the Repatriation Benefit across all *AIA* policies for the *life assured* is the lower of:

- > the *sum assured*; or
- > \$20,000.

The Repatriation Benefit will be treated as an early payment of the Life Cover Benefit. The Life Cover Benefit will then be reduced by the amount paid under the Repatriation Benefit.

The Repatriation Benefit may be paid in addition to the Bereavement Support Benefit but no more than the *sum assured* will be paid for both. If the *life assured* is the sole *policy owner*, *AIA* will pay a maximum of \$40,000 in total across both the Repatriation Benefit and the Bereavement Support Benefit.

3. Special Events Increase Facility

What is the Special Events Increase Facility?

On each occasion when one of the following circumstances occurs for the *life assured*:

- > having a *child* (by birth or legal adoption);
- > becoming married or entering into a civil union;
- > becoming legally separated, divorced or the dissolution of the *life assured's* civil union;
- > experiencing the death of a spouse, civil or de facto partner,

you may write to *AIA* asking us to increase the Life Cover Benefit for the *life assured* without the need to provide further health information or to undergo any medical examinations or tests.

Each increase will be issued on a new policy and will require an additional *premium*. The *premium* will be calculated on the rates applicable at the time the Special Events Increase Facility is exercised.

The new policy will be subject to the same age selected for the Premium Payment Term as the original policy, however the *anniversary date* and *premium end date* may be different from the original policy. Any loadings, exclusions or special terms on the original policy will also be applied to the special events increase.

What is the maximum cover that can be added?

The maximum increase for each special event cannot exceed the lower of:

- > 50% of the Life Cover Benefit for the *life assured*; or
- > \$250,000.

The total of all increases made under this Facility cannot exceed the lower of:

- > 100% of the Life Cover Benefit for the *life assured*; or
- > \$750,000.

The maximum increases outlined above each apply in respect of all Life Cover and/or similar benefits for the *life assured* across all *AIA policies*.

What are the other conditions applying to this Facility?

Any special events increase is subject to the following conditions:

- > You must make the request within 12 months of the relevant special event and provide *AIA* with suitable evidence of the occurrence of the event.
- > A *life assured* over the age of 55 is not eligible for Special Events Increases.
- > In any 12 month period you can make only one increase under this Facility.
- > No Special Events Increase can be exercised after the policy has become *paid-up*.

AIA will issue a policy for the increased Life Cover Benefit for the *life assured* from the date we accept your request.

Where this policy has been issued as the result of an increase under a Special Events Increase Facility, then:

- > The Special Events Increase Facility will not be available under this policy.
- > *AIA* will not pay the increased benefit amount if:
 - before the increase, the *life assured* qualified for payment of the Terminal Illness Benefit or the Specified Terminal Conditions Benefit under any other *AIA policy*; or
 - within six months following the increase, the *life assured*:
 - dies except where *accidental death* under this benefit occurs, or
 - qualifies for payment of the Terminal Illness Benefit or the Specified Terminal Conditions Benefit under any other *AIA policy*.

4. Exclusions – when *AIA* won't pay a benefit

AIA will not pay any benefit where the *life assured* dies as a direct or indirect result of an intentional self-inflicted act (whether sane or insane) within 13 months of the *risk commencement date* or, if cover has been reinstated, the date of reinstatement.

5. Your premiums

Premium

- > To ensure your policy remains in force you must pay the *premium* on a regular basis as agreed with *AIA*.
- > The *premium* is shown in *the schedule* and the first payment is due to *AIA* on the first *premium due date*.
- > No further *premiums* are payable after the *premium end date*.

Premium payment term

AIA calculates your *premium* based on the *premium payment term* chosen.

The *premium payment term* you have selected cannot be changed after the *risk commencement date*.

The *premium payment term* ends on the *premium end date*, being the *anniversary date* following the *life assured* reaching the age selected.

Guaranteed premiums

The *premium* will remain level for the duration of the *premium payment term* (subject to relevant changes in taxation or legislation and provided no changes to your policy are made – see section 7: Changes to your policy).

Method of paying premiums

You must pay all *premiums* to *AIA*. *Premiums* can be paid by direct debit, credit card or debit card. *Premium* payments are not effective until after they have been credited and cleared to *AIA's* bank account.

What happens if you do not pay the premium on time?

You have 30 days' grace in respect of any *premium* due. If you have not reached the *paid-up eligibility date*, *AIA* will be entitled to cancel your policy by written notice to you, using your last known contact details, if a *premium* remains outstanding 31 days after a *premium due date*.

If you want to have the policy reinstated, you must write to *AIA*. *AIA* does not have to reinstate the policy but may do so on any conditions it considers appropriate, including payment of all *premium* arrears.

If *AIA* has to pay a claim under the policy when a *premium* is overdue, the overdue *premium* may be deducted from the claim payment.

If you have reached the *paid-up eligibility date*, your policy will become *paid-up* instead of being cancelled. See section 6: *Paid-up* option with reduced cover for details.

6. Paid-up option with reduced cover

Any time after you reach the *paid-up eligibility date*, your policy can be made *paid-up*. If that happens your *premiums* will stop but cover will continue until the death of the *life assured*, with a reduced *sum assured* that is intended to reflect the *premiums* you have already paid.

When can the policy be made paid-up?

Your policy can be made *paid-up* any time after the *paid-up eligibility date* in the following circumstances:

- > All *premiums* due up to the date the policy is made *paid-up* must be paid.
- > You contact *AIA* with a request to make your policy *paid-up*. Once this request has been processed by *AIA*, this cannot be reversed.
- > If a *premium* remains outstanding 31 days after a *premium due date*, *AIA* will be entitled to make the policy *paid-up* by written notice to you using your last known contact details. If you want to reverse the *paid-up* status, you must write to *AIA* to request this. *AIA* does not have to accept your request but may do so on any conditions it considers appropriate, including payment of all *premium* arrears.
- > If you request to cancel your policy (see section 8: When can you cancel your policy?) *AIA* will instead make your policy *paid-up*.

How will the reduced *sum assured* be calculated if the policy is made *paid-up*?

If your policy becomes *paid-up*, we calculate the reduced sum assured by taking the proportion of the *premium payment term* you have already paid, multiplying it by your *sum assured*, and applying a 5% adjustment.

The formula is:

The proportion of the *premium payment term* you have already paid × *sum assured* × 0.95

Example 1: There are 40 years between your *risk commencement date* and your *premium end date*, and your policy is made *paid-up* after 20 years

<i>Premium payment term</i>	40 years
<i>Premiums</i> already paid	20 years
<i>Sum assured</i>	\$200,000

Calculation:

1. Proportion of *premium payment term* already paid
 $20 \div 40 = 0.5$
2. Apply to the *sum assured*
 $0.5 \times \$200,000 = \$100,000$
3. Apply 5% adjustment
 $\$100,000 \times 0.95 = \$95,000$

Your reduced *paid-up sum assured* would be \$95,000

Example 2: There are 10 years between your *risk commencement date* and your *premium end date*, and your policy is made *paid-up* after 5 and a half years

<i>Premium payment term</i>	10 years
<i>Premiums</i> already paid	5 years and 6 months
<i>Sum assured</i>	\$200,000

Calculation:

1. Proportion of *premium payment term* already paid
 $5.5 \div 10 = 0.55$
2. Apply to the *sum assured*
 $0.55 \times \$200,000 = \$110,000$
3. Apply 5% adjustment
 $\$110,000 \times 0.95 = \$104,500$

Your reduced *paid-up sum assured* would be \$104,500

7. Changes to your policy

Decreasing your *sum assured*

You may apply to *AIA* in writing to reduce the *sum assured*. Any reduction in *sum assured* will start from the next *premium due date* after your request is accepted by *AIA*.

Increasing your *sum assured*

See section 3 for any increases that can be made under the Special Events Increase Facility.

You cannot otherwise increase the *sum assured* on this policy. If you wish to increase your cover, you will need to apply for a new policy. *AIA* does not have to accept an application for any new cover. Any acceptance will depend on a number of factors including the health of the *life assured*.

Making your policy *paid-up*

See section 6: *Paid-up* option with reduced cover for details.

Change of smoker status

If the *life assured* was classified as a smoker at application and has not smoked for a period of 12 months or more, you can apply to have the *premium* reduced to that for a non-smoker. The *life assured* will have to complete a non-smoker declaration. The premium reduction will be effective from the next *premium due date* after your request is approved.

Change of ownership

You may transfer the ownership of your policy at any time.

To be valid, the transfer must be on a *transfer of ownership form* and registered with us. If ownership of your policy has been transferred, references in this policy document to you, your and the *policy owner(s)* are references to the most recent transferee(s).

A trust cannot be the owner of this policy. No charge is payable for a transfer of ownership of the policy.

8. When can your policy be cancelled?

When can you cancel your policy?

a. During the free look period

If for any reason you are not happy with your policy, you may return it to us within 15 days from the date your policy document is received. AIA will refund any *premiums* paid under your policy provided that no benefit has been paid or no claim has been made.

b. Before the *paid-up eligibility date*

You can cancel your policy prior to the *paid-up eligibility date* by giving AIA notice in writing. If you pay *premiums* quarterly, bi-annually, or annually, we will refund the unused part of your *premium* that covers the period more than one month after the date we receive your cancellation request. If you pay monthly, we will not refund any *premiums* that you've already paid.

c. After the *paid-up eligibility date*

If you request to cancel your policy, and you have reached the *paid-up eligibility date*, AIA will instead make your policy *paid-up*. See section 6: *Paid-up* option with reduced cover for details.

From (and including) the date AIA receives notice of cancellation of your policy, you will not be entitled to any benefits under the policy, unless otherwise agreed in writing by AIA.

When can AIA cancel your policy?

If you have not reached the *paid-up eligibility date*, AIA can cancel this policy by written notice to you, using your last known contact details, if the *premium* remains outstanding 31 days after the *premium due date* (see section 5: What happens if you do not pay the *premium* on time?).

If AIA issues you this policy with the understanding that it is to replace a policy you already have, then you must cancel your existing policy. If you fail to cancel your existing policy, AIA can cancel this policy or decline liability for any claims made under this policy. A Replacement Policy Advice form (or equivalent), application form, illustration or quote which indicates this policy is intended to replace an existing policy will be sufficient evidence that your policy was issued on the basis that you would cancel the existing policy.

AIA can cancel this policy and decline liability for any claims made under this policy if you or the *life assured*, or anyone acting on your or the *life assured's* behalf, makes a claim under this policy that is false or fraudulent in any respect.

In the event that a false or fraudulent claim is established after payment of a claim, all amounts paid in relation to the false or fraudulent claim must be repaid by you to AIA.

Cancellation due to Sanctions

We shall not provide cover for any risk and/or activity and shall not be liable to pay any claim or pay any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would be in respect of a person who is the subject of any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of New Zealand, the European Union, United Kingdom or United

States of America, or any of its states and/or any other applicable economic or trade sanction laws or regulations.

This provision applies without limitation not only to the *policy owner* or holder, but to the *life assured* and any assignee, other third party, related party or beneficiary of the policy.

Should we determine that the above is applicable, we may at our sole discretion terminate the policy with immediate effect.

Non-disclosure or the provision of false or misleading information

Any information you or the *life assured* gives us, and any information given to us on your behalf, must be complete, true and correct.

If you or the *life assured*:

- > fails to disclose *material* information to AIA prior to inception of this policy or any variation or reinstatement of this policy; or
- > has made a *substantially incorrect* statement on the faith of which the policy was issued, renewed, varied or reinstated;

AIA may, at its complete discretion either:

- > subject to the Insurance Law Reform Act 1977, avoid your entire policy from its inception (this means the policy is deemed to have never existed); or
- > alter the terms upon which cover is provided under your policy (such alteration of terms will be effective from the *risk commencement date* or such date of our choosing, at our discretion).

If this policy is avoided or any terms altered, we may retain all *premiums* paid in relation to the policy.

9. How to make a claim

For any claims enquiries or advice about submitting a claim, please phone the AIA Claims Team or your adviser for assistance.

AIA Claims Hotline: 0800 500 108

To accept a claim for the Life Cover Benefit, AIA will require:

- > A full death certificate;
- > A coroner's report, if applicable; and
- > A grant of administration – probate, or certificate of administration, or letters of administration, if the deceased was the sole *policy owner*.

The requirements for the Bereavement Support Benefit or Repatriation Benefit may be different.

AIA will tell you about any other information that may be required once notice of the claim has been received.

AIA is under no obligation to consider a claim unless all of the information requested is provided. Furthermore, AIA is under no obligation to assess or pay a claim prior to receiving notification.

10. Important information

What forms part of this policy contract?

All the terms of this policy are contained in and based on:

- > This policy document including *the schedule* and any alterations made as permitted under the policy.
- > Any application forms and declarations made by you or the *life assured*, at any time, concerning this policy.
- > All statements which the *life assured* has made to *AIA*.
- > Any provisions which any legislation states must be included in this contract, unless those provisions can be contracted out of, in which case they are not included.

Nothing else forms part of this contract.

Policy subject to laws of New Zealand

The laws of New Zealand govern this policy, which has been issued in New Zealand.

If changes in the law occur after the *risk commencement date* and *AIA* believes on reasonable grounds that those changes will affect:

- > *AIA's* liability to pay any tax; or
- > The tax treatment of any *premiums* payable or claims receivable in respect of the policy (such as GST); or
- > The way in which the policy works or the amount which can be paid under benefits;

then *AIA* can change the provisions of the policy or the benefits, but only to take into account the effect of the law change.

Statutory Fund

Your insurance policy is part of the Statutory Fund Number 1.

Notices

When you write to *AIA* about this policy, you must send the letter to *AIA's* head office in New Zealand, or a substitute address *AIA* gives you.

The postal address of *AIA's* head office is:

Freepost *AIA*
Private Bag 92499
Victoria Street West
Auckland 1142
New Zealand

The street address of *AIA's* head office is:

AIA New Zealand Limited
AIA House
74 Taharoto Road
Takapuna
Auckland 0622
New Zealand

If more than one person owns this policy, all the *policy owners* must sign any letter or notice to *AIA*. However, *AIA* will not be liable to any *policy owner* if we act on a letter or notice signed by one or more, but not all, of the *policy owners*.

AIA is not bound by anything contained in a letter or notice you send unless we actually receive the letter or notice at the relevant address.

When *AIA* writes to you about this policy, we will send the letter or notice to the address for the *policy owner* shown in *the schedule*, or to the email address(es) provided for the *policy owner* in the application for this policy, or any substitute postal and/or email address(es) you give us.

You must immediately notify *AIA* of any changes to your contact details including postal, residential or email address. Every notice required to be given to you by *AIA* shall be deemed to be delivered five days after having been posted, or, where the notice is sent by email, 24 hours after the email has been sent.

Information about your policy

Shortly before each *anniversary date*, *AIA* will send you a letter containing information about your policy.

You may at any time write to *AIA* or your adviser for further information about your policy.

Worldwide cover

This policy covers the *life assured* anywhere in the world. All payments *AIA* makes under this policy will be in New Zealand dollars.

How do you make a complaint?

Complaints by *policy owners* to *AIA* must be made in writing. If the *policy owner* is not satisfied with the outcome of the complaint, they may have the right to refer the complaint to the Insurance and Financial Services Ombudsman. The Ombudsman can only deal with a complaint after *AIA's* internal complaints procedure has been exhausted and a letter acknowledging this has been sent to the complainant.

You can obtain more information about the Ombudsman from the website: www.ifso.nz

The Ombudsman's address is:

Insurance and Financial Services Ombudsman
PO Box 10-845
Wellington 6143
Phone: (04) 499 7612 or 0800 888 202

No surrender value

This policy does not participate in the profits of *AIA*. The policy has no surrender value or cash value if it is cancelled.

11. Key terms

In this policy document some words have special meanings:

accidental death	Death caused solely by violent, accidental, external and visible means.	premium due date	The date on which the <i>premium</i> is payable under the policy, as agreed with <i>AIA</i> .
AIA	Means <i>AIA New Zealand Limited</i> , also referred to in this policy as 'we', 'our' or 'us'.	premium end date	The Premium End Date, as shown in <i>the schedule</i> .
AIA policy/policies	Any policy or policies where <i>AIA</i> is the insurer, this includes any <i>related policy/policies</i> issued by either: Sovereign Assurance Company Limited or <i>AIA International Limited</i> , New Zealand Branch.	premium payment term	Means the period from the <i>risk commencement date</i> to the <i>premium end date</i> , as determined by the age selected for the <i>life assured</i> in <i>the schedule</i> , during which <i>premiums</i> are payable.
anniversary date	The date in each year that corresponds to the Anniversary Date specified in <i>the schedule</i> .	related policy/policies	Any in force policy/policies for the <i>life assured</i> that were issued on or before the 4 th August 2019, where: <ul style="list-style-type: none"> > Sovereign Assurance Company Limited ('Sovereign') was the insurer; and/or > <i>AIA International Limited</i>, New Zealand Branch ('<i>AIA International</i>') was the insurer. <i>AIA</i> in its sole discretion may pay more than one benefit, or more than the stated maximum <i>sum assured</i> for the same <i>claim event</i> should the <i>life assured</i> have cover under one or more <i>related policy/policies</i> through both Sovereign and <i>AIA International</i> .
child	Any biological child, adopted child or child under the legal guardianship of: <ul style="list-style-type: none"> > the <i>life assured</i>; or > the spouse, civil or de facto partner of the <i>life assured</i>. 		
home country	The country in which the <i>life assured</i> was born or their country of permanent residence.		
life assured	The person insured for the benefit as named in <i>the schedule</i> .		
material	A statement is material only if that statement would have influenced the judgment of a prudent insurer in fixing the <i>premium</i> or in determining whether they would have taken or continued the risk upon the same terms.	risk commencement date	The commencement date of the benefit, as shown in <i>the schedule</i> .
paid-up eligibility date	The Paid-Up Eligibility Date shown in <i>the schedule</i> is the midpoint between the <i>risk commencement date</i> and the <i>premium end date</i> .	substantially incorrect	A statement is substantially incorrect only if the difference between what was stated and what is actually correct would have been considered <i>material</i> by a prudent insurer.
paid-up	Means the <i>premium</i> payments stop after the <i>paid-up eligibility date</i> and before the <i>premium end date</i> and the policy continues for a reduced <i>sum assured</i> with no further <i>premiums</i> payable.	sum assured	The amount of the Life Cover Benefit, as shown in <i>the schedule</i> .
policy owner(s)	The person or people named as 'policy owner' in <i>the schedule</i> , also referred to in this policy as 'you' or 'your'.	the schedule	The most recent schedule for your policy and: <ul style="list-style-type: none"> > any notice of a change to <i>premiums</i>; and > any policy alteration or endorsement documents recording a change to your policy.
premium	The amount payable by you to <i>AIA</i> under this policy, comprising the cost of the benefits chosen by you.	transfer of ownership form	<i>AIA's</i> standard form for an assignment of a policy by way of ordinary transfer.