

# AIA LIVING - BUSINESS

## OPTIONAL BENEFIT APPENDIX



### Rural Continuity Benefit

This *appendix* only applies if cover under *the schedule* for your policy includes the Rural Continuity Benefit. This *appendix* forms part of and is incorporated into your **AIA Living** policy, the terms of which apply to this *appendix*.

This is a Rural Continuity Benefit. Details of the benefit and the *life/lives assured* are shown in *the schedule*.

#### 1. When will AIA pay a Rural Continuity Benefit?

To qualify for a benefit, the *life assured* must be *actively involved* in *farming* in New Zealand on the date of becoming *totally disabled*.

#### 2. When will AIA pay a Total Disablement Benefit?

AIA will pay a Total Disablement Benefit if, in AIA's opinion, at any time during the *benefit term*, the *life assured*:

- > has been *totally disabled* or *partially disabled* during the *waiting period*; and
- > is *totally disabled* at the end of the *waiting period*.

We will pay you the benefit monthly in advance from the end of the *waiting period* until the earliest of:

- > the *life assured* is no longer *totally disabled*; or
- > the *benefit term* ends; or
- > the cover ends.

Where the *life assured* has a *waiting period* of 8 weeks or less, is *totally disabled* due to injury and the nature of the injury is such that the *life assured* is expected to recover within a set period of time, AIA may choose to make a lump sum payment of up to 3 monthly benefit payments (after the *waiting period* and any offsets have been taken into account) and close the claim. This payment may be made during the *waiting period*.

If the *life assured* is still *totally disabled* or *partially disabled* at the end of the expected recovery period corresponding with the lump sum payment, then AIA will reopen the claim and pay either the Total Disablement Benefit or (if applicable) an Optional Partial Disablement Benefit in accordance with this *appendix*.

#### 3. What amount will AIA pay for a Total Disablement Benefit?

The amount that AIA will pay monthly is 1/12<sup>th</sup> of the benefit amount shown in *the schedule*, less offsets shown below.

##### Offsets:

Any other farm protection, business income, key person or income protection benefit(s) that any *person* receives

or is entitled to receive from any sources in relation to the *life assured* and in respect of the same or a related *disability*. This does not include ACC benefits received, or entitled to be received. Where the *life assured* is covered by insurance policies held with more than one provider, AIA will negotiate with the other provider(s) to determine the amount to be offset.

Only one Rural Continuity Benefit will be paid per *farm* at any one time.

If you have chosen the optional ACC offset and it is shown in *the schedule* then any ACC payments in respect of the same or a related *disability* will be included in offsets. If the *life assured* is entitled to receive a benefit from ACC but is not receiving that benefit because the *life assured* has either not applied for the benefit, or has not provided all of the requirements necessary to assess the benefit, or the benefit has been stopped due to any non-compliance with ACC requirements, AIA will offset the full ACC entitlement regardless of whether the *life assured* is receiving a payment or not.

#### 4. What does *totally disabled* mean?

In AIA's opinion, the *life assured* is *totally disabled*, if as a direct result of sickness or injury, he or she is:

- > under the regular and personal care of a *registered medical practitioner*; and
- > unable to:
  - engage in *farming* they were involved in immediately before the *disablement date* for more than ten hours per week; or
  - perform at least one important income producing duty of the role they were involved in immediately before the *disablement date* and is not working in that role; and
- > not working or engaged outside the *farm* or in any other business.

#### 5. When will AIA pay an Optional Partial Disablement Benefit?

The Optional Partial Disablement Benefit only applies if shown in *the schedule*.

AIA will pay an Optional Partial Disablement Benefit if in AIA's opinion, at any time during the *benefit term*, the *life assured*:

- > has been *partially disabled* during the *waiting period*, and is *partially disabled* at the end of the *waiting period*; or

- > becomes *partially disabled*, following a period of receiving a Total Disablement Benefit under this *appendix* and the *life assured* is no longer *totally disabled*, provided:
  - the period in respect of which a Total Disablement Benefit has been paid in advance has expired; and/or
  - where a lump sum payment has been made in lieu of monthly benefit payments as set out in Section 1, the benefit period to which the lump sum corresponds has expired.

The Optional Partial Disablement Benefit will be paid monthly in arrears until, in AIA's opinion, after considering the advice of a *registered medical practitioner* and other relevant information, the *disability* is no longer preventing the *life assured* from working at least 20 hours per week, or until the end of the *benefit payment period*, whichever is the earlier.

A Partial Disablement Bridging Benefit (as set out in Section 8) will also be paid if you have been receiving a Total Disablement Benefit under this *appendix* before you commence receiving an Optional Partial Disablement Benefit.

Any claim for a subsequent Optional Partial Disablement Benefit must be immediately preceded by a 14 day period of *total disability*. Refer to Section 9 for "What is the Recurrent Disablement Benefit?".

## 6. What does *partially disabled* mean?

In AIA's opinion, the *life assured* is *partially disabled*, if as a direct result of sickness or injury he or she:

- > has a reduction in work capacity resulting from the continuation of the disability; and
- > because of the reduction in work capacity, the *life assured* is working less than 20 hours per week.

## 7. What is the amount of the Optional Partial Disablement Benefit?

The amount that AIA will pay monthly is calculated in the following way:

(50% x 1/12<sup>th</sup> of the benefit amount shown in *the schedule*) less offsets as defined in Section 3.

For example, for a benefit amount shown in *the schedule* of \$60,000 per annum (\$5,000 per month) with offsets of \$1,000, the amount that AIA will pay monthly is: (\$5,000 x 50%) - \$1,000 = \$1,500

## 8. What is the Partial Disablement Bridging Benefit and when will AIA pay it?

Where the Optional Partial Disablement Benefit applies as shown in *the schedule*, AIA will pay you a Partial Disablement Bridging Benefit if:

- > you have been receiving a Total Disablement Benefit under this *appendix*; and
- > the *life assured* is no longer *totally disabled*; and
- > based on the information provided to, and requested

by AIA, we reasonably expect that an Optional Partial Disablement Benefit (as set out in Section 5) will be payable for that *life assured* for the first month after the *life assured* ceased to be *totally disabled*.

The Partial Disablement Bridging Benefit is a lump-sum payment equivalent to 1/3<sup>rd</sup> (33.3%) of the final monthly Total Disablement Benefit paid before the *life assured* ceased to be *totally disabled*.

The Partial Disablement Bridging Benefit is paid at the end of the final month in respect of which a Total Disablement Benefit was paid for the *life assured*.

Payment of the Partial Disablement Bridging Benefit does not affect the amount of the Optional Partial Disablement Benefit (as set out in Section 7).

The Partial Disablement Bridging Benefit is payable once for all claims resulting from the same or a related injury or illness.

The Partial Disablement Bridging Benefit is not payable where a lump sum payment has been made in lieu of monthly benefit payments, as set out in Section 2.

## 9. What is the Recurrent Disablement Benefit?

The *waiting period* will be waived if in AIA's opinion, after considering the advice of a *registered medical practitioner* and other relevant information, the *life assured* becomes *totally disabled* again and this is caused by the same or a related illness or injury as the original period of *total disability*, not later than 12 months after benefit payments related to the original claim ceased. The provisions of Sections 2, 3, 4, 5, 6 and 7 of this *appendix* will apply to any benefit claimed.

All claims resulting from the same or a related illness or injury will be considered to be the same claim in respect of the *benefit payment period*.

## 10. What is the Optional Peak Season Upgrade Benefit and when will AIA pay it?

The Optional Peak Season Upgrade Benefit applies only if shown in *the schedule*.

If you have chosen the Optional Peak Season Upgrade Benefit, then AIA will pay an additional 25% of the monthly benefit while the *life assured* is receiving a Total Disablement Benefit during the nominated 3 month peak season period as defined in *the schedule*, in any year.

The nominated peak season period may only be changed with AIA's written consent. There will be a 90 day stand down from the date the peak season period is changed on *the schedule* before any Optional Peak Season Upgrade Benefit is payable during the new peak season period. During this stand down period your previous peak season period will remain in force.

## 11. Rehabilitation and Support

On receipt of the claim requirements, set out in 'Section 12: How to make Claim', we will appoint the *life assured* a Case Manager, who will work with the *life assured* to understand their personal situation and assist them with the claims process. They will work with the *life assured* to consider what rehabilitation or functional support could assist the *life assured's* return to work or improve their capacity to work, either during or after the *waiting period* as appropriate in the opinion of *AIA*.

Acceptance of any costs associated with the agreed rehabilitation and functional support by *AIA* does not mean that we will accept liability for any other benefit under this *appendix* and are accepted at the sole discretion of *AIA*.

## 12. How to make a claim

To make a claim, the relevant procedures in the section of your **AIA Living** policy entitled 'How to make a claim' must be followed.

In addition, for a Rural Continuity Benefit claim, *AIA* will require:

- > the *life assured* to be examined by a *registered medical practitioner* acceptable to *AIA* before accepting liability for a claim; and
- > an *AIA* claims form completed by the *life assured* and a *registered medical practitioner* (at your expense); and
- > other information which *AIA* may reasonably request to help assess the claim; and
- > the *life assured* to undergo medical and/or surgical treatment (including any operation or vocational, medical and/or social rehabilitation) at your expense which the *life assured's registered medical practitioner* or a *registered medical practitioner* approved by *AIA* considers necessary; and
- > any other information that *AIA* may deem relevant to the assessment of the claim.

## 13. Ongoing claim requirements

For ongoing claims *AIA* will require:

- > Completion of a monthly medical certificate by a *registered medical practitioner* (at your expense) in a form from time to time approved by *AIA* for the purposes of determining ongoing entitlement to payment of a Rural Continuity Benefit.
- > Completion of a monthly individual declaration by the *life assured* in a form from time to time approved by *AIA*, which may include completion of daily activity logs detailing the *life assured's* functional activities for the purposes of determining ongoing entitlement to payment of a Rural Continuity Benefit.
- > Proof of any remunerated or non-remunerated work completed during the claim period.
- > Any other information that *AIA* may deem relevant to the ongoing assessment of the claim.

## 14. When will *AIA* cease paying a benefit?

*AIA* will cease paying a benefit if:

- a) The *life assured* fails to undergo and complete:
  - any surgical operation; and/or
  - any medical rehabilitation; and/or
  - any social rehabilitation; and/or
  - any vocational rehabilitation,which a *registered medical practitioner* approved by *AIA* considers reasonably necessary.
- b) The *life assured* fails to undertake any medical examinations that *AIA* requires the *life assured* to have, at our expense.
- c) The *life assured* fails to comply with the requirements of Section 13 above.
- d) *AIA* determines that the *life assured* is no longer *totally disabled* or *partially disabled*.
- e) The *benefit payment period* expires in relation to the *life assured*.
- f) The *life assured* or anyone acting on behalf of the *life assured* makes a false or fraudulent statement in respect of a claim or supports any claim with false evidence.
- g) The *life assured* ceases to be *actively involved* in *farming*, unless the reason for this is related to the claim.
- h) The *life assured* is in prison or sentenced to home detention for any reason.
- i) The *life assured* dies.

If *AIA* ceases paying a benefit in accordance with paragraphs (a), (b) or (c) and the *life assured* subsequently complies with the relevant requirement(s), then:

- > The date that the *life assured* complied with the relevant requirement(s) will, subject to the provisions of this *appendix*, be treated as the *disablement date* for a new claim.
- > The *waiting period* will be waived for the new claim.
- > The original claim and the new claim will be considered to be the same claim in respect of the *benefit payment period*.
- > No monthly benefit payments will be payable retrospectively for any period of time before the date that the *life assured* subsequently complies with the relevant requirement(s).

## 15. When will this *appendix* terminate for a *life assured*?

This *appendix* will terminate and eligibility for the Rural Continuity Benefit will cease for a *life assured*:

- > At the expiry of the *benefit term* for that *life assured* as shown in the *schedule*.
- > When the *life assured* dies.
- > If the *life assured* is no longer *actively involved* in the *farm* for more than 60 consecutive days for reasons

other than *total disability*, unless *AIA* has been notified in writing and its written consent has been given for the continuation of the *appendix*.

- > If the *farming* business is wound-up or liquidated or the *farm* is sold or its lease ends, unless *AIA* has been notified in writing and its written consent has been given for the continuation of the *appendix*. However, if the *life assured* is on claim and the reason for the *farming* business being wound-up or liquidated is due to the *total disability* or *partial disability* of the *life assured*, the benefit will remain in force until the end of the *benefit payment period*.
- > When the benefit is cancelled by the *policy owner*.

## 16. Exclusions – When *AIA* won't pay a benefit

*AIA* will not pay a benefit where any of the following directly or indirectly cause or contribute to the *total disability* or *partial disability*:

- > The *life assured* deliberately injures himself or herself or attempts to do so.
- > The *life assured* engages in or is part of any conduct that is criminal.
- > The *life assured* does not comply with the treatment recommended by the attending treatment providers.
- > Pregnancy of, or childbirth by, the *life assured*, unless the *disability* lasts for more than 90 days after the end of pregnancy, in which case the *waiting period* will start from the 91<sup>st</sup> day.

If the *life assured* is imprisoned or sentenced to home detention for any reason, no monthly benefit will be payable during the term of imprisonment or home detention.

## 17. Key terms

<b>actively involved</b>	<i>Farming</i> for more than 30 hours per week in or on the <i>farm</i> .
<b>benefit term</b>	The term for which the <i>life assured</i> is insured for the Rural Continuity Benefit as stated in <i>the schedule</i> .
<b>benefit payment period</b>	<p>The maximum term for which the Rural Continuity Benefit is payable as stated in <i>the schedule</i>.</p> <p>The benefit payment period commences at the end of the <i>waiting period</i> and ceases either 6, 12 or 24 months (whichever is stated in <i>the schedule</i>) later or when the <i>life assured</i> reaches the end of the <i>benefit term</i> as stated in <i>the schedule</i>, whichever is the earlier.</p> <p>The 6, 12 or 24 month period (whichever is stated in <i>the schedule</i>) is the total period for all claims arising from the same or related illness or injury.</p>
<b>disability/disabled</b>	The illness or injury giving rise to the claim for <i>total disability</i> or <i>partial disability</i> .
<b>disablement date</b>	The date the <i>life assured</i> became <i>totally disabled</i> .
<b>farm</b>	The area where the <i>farming</i> occurs.
<b>farming</b>	Owning or leasing the <i>farm</i> and/or animals and actively raising the animals for commercial purposes including <i>sharemilking</i> .
<b>partially disabled</b>	<p>See Section 6 of this appendix for the meaning of this key term.</p> <p><i>Partial disability</i> has a corresponding meaning.</p>
<b>person</b>	An individual, employer, company, partnership, association, organisation or trust.
<b>sharemilking</b>	The provision of services under a Sharemilking Agreement as defined by the Sharemilking Agreements Act 1937 and any of its subsequent amendments including any replacement Act and/or Regulations.
<b>totally disabled</b>	<p>See Section 4 of this appendix for the meaning of this key term.</p> <p><i>Total disability</i> has a corresponding meaning</p>
<b>waiting period</b>	The period stated as such in <i>the schedule</i> for which no Total Disablement Benefit or Optional Partial Disablement Benefit is payable