

Business Cover Professional - New to Business Cover

SECTION A - DEFINED TERMS

DEFINED TERMS

In this **Policy** certain words have particular meanings. These words are in **Bold** and the meanings set out below.

Interpretation

Throughout this **Policy** '**We**', '**Our**' '**Us**' or '**AIA New Zealand**' means AIA International Limited - New Zealand Branch, and/or any related and/or authorised companies and/or agents (including company officers acting in the scope of their authority). '**You**' or '**Your**' means the **Policy Owner(s)**.

Benefit(s)

Means the **Benefit** specified in the **Policy Schedule** (and subject to the terms and conditions of this **Policy**).

Civil Union

Means a **Civil Union** as defined in the Civil Union Act 2004.

Criminal Act

Means participation in an action that constitutes an offence under the Crimes Act 1961, whether or not that action results in a conviction on indictment or on summary conviction.

Life Assured

Means the person or people insured for the **Benefit(s)** as listed in **Your Policy Schedule**.

Manifested

Means that symptoms have arisen which cause an ordinarily prudent person to seek diagnosis, care or treatment, or that medical advice or treatment has been recommended by or received from a **Medical Practitioner**.

Medical Practitioner

Shall mean any person approved by **Us** registered with the Medical Council of New Zealand to render medical or surgical services, and who holds an Annual Practising Certificate. For diagnoses made outside New Zealand, this definition covers any appropriately qualified medical professional approved by **Us**. This definition excludes any person who is himself/herself the **Life Assured**, the **Policy Owner**, the spouse, de facto spouse, **Civil Union** partner, lineal relative, or business partner/associate of the **Life Assured** or **Policy Owner**.

Policy

Means this contract of insurance between **You** and **Us**. It includes the following parts:

- **Your** application for insurance; and
- this **Policy** wording; and
- the **Policy Schedule**; and
- any addendum to the **Policy Schedule**; and
- any other written notice that **We** give **You**; and
- any written notice that **You** give **Us**.

Policy Anniversary Date

Means the anniversary of the **Policy Commencement Date**.

Policy Commencement Date

Means the commencement date of the **Policy** as specified in **Your Policy Schedule**.

Policy Owner

Means the **Policy Owner** identified in the most recent **Policy Schedule** issued to **You** by **Us**.

Policy Schedule

Means the most recent **Policy Schedule** issued to **You** by **Us**, including any endorsements or special conditions.

Policy Year

Means the twelve (12) month period which starts from the **Policy Commencement Date** and ends on the **First Anniversary Date**. Each subsequent **Policy Year** is from **Policy Anniversary Date** to **Policy Anniversary Date**.

Premium

Means the **Premium** specified in **Your Policy Schedule** or in any subsequent notice issued to **You** by **Us**.

Premium Rates

Means the underlying **Premium Rates We** use to calculate **Your Premium** based on factors including the age, health, occupation and circumstances of the **Life Assured**.

Sum Assured

Means the **Sum Assured** for the **Benefit(s)** as set out in **Your Policy Schedule**.

Total Premium

Means the sum of the **Premium** and policy fee together with any applicable GST as specified in **Your Policy Schedule**.

SECTION B - NEW TO BUSINESS COVER FEATURES

JURISDICTION AND CURRENCY	1		The laws of New Zealand apply to this Policy . The New Zealand courts have exclusive jurisdiction. All monetary amounts referred to in this Policy are expressed and payable in New Zealand dollars and include GST.
RESPONSIBILITY FOR TRUTHFULNESS	2	A	When You apply for insurance with AIA New Zealand and when You make a claim on the Policy , You have a legal duty of disclosure to AIA New Zealand .

The duty of disclosure means that:

1. All the statements that **You** or any **Life Assured** make to **AIA New Zealand** (both written and oral), including the answers in:
 - a. the application;
 - b. any claim made by **You**; and
 - c. any other communication by **You** or any **Life Assured** with **AIA New Zealand**;must be complete, true and correct.
2. **You** and any **Life Assured** must disclose everything that **You** or any **Life Assured** know, or could reasonably be expected to know, that is relevant to **AIA New Zealand's** decision whether:
 - a. to accept **Your** application for insurance, on what terms **AIA New Zealand** will accept it and how much it will cost; or
 - b. to accept **Your** claim on the **Policy**.
3. This duty of disclosure in relation to **Your** application for insurance continues from the time **You** complete the application until either:
 - a. the **Policy Commencement Date** or the date **AIA New Zealand** accepts **Your** application for insurance, whichever is later; or
 - b. **AIA New Zealand** declines **Your** application for insurance.
4. **You** and any **Life Assured** also have the same duty of disclosure to **AIA New Zealand** throughout the term of the **Policy** whenever **You** or any **Life Assured** communicate with **AIA New Zealand** and whenever **You** extend, vary or reinstate **Your** insurance.

IMPORTANT

If **You** or any **Life Assured** do not comply with **Your** duty of disclosure, **AIA New Zealand** may at its discretion do any or all of the following:

1. Decline any claim that **You** make;
2. Alter the terms of any **Benefits** under the **Policy**;
3. Remove any **Benefits** under the **Policy**;
4. Void **Your Policy** from the **Policy Commencement Date**;
5. Retain all **Premiums**, policy fees and recover any **Benefits** paid;
6. Terminate this **Policy**.

If You are not sure whether You are required to disclose a particular fact, please ask AIA New Zealand or Your insurance adviser.

		B	If the age of the Life Assured was misstated in the application, the amount payable under this Policy will be adjusted to the amount that the Premiums would have purchased if the correct age had been disclosed.
PREMIUM RATES	3		No increase in Premium Rates will apply to this Policy as a result of a change in the health, occupation or circumstances of the Life Assured . However, We have the right to review at any time and from time to time the Premium Rates and handling fees applicable to all New to Business Cover policies and to apply the reviewed rates and fees to this Policy on thirty (30) days notice.
PREMIUM PAYMENTS	4		With Our agreement the annual Total Premium may be paid by equal fortnightly, monthly, quarterly or half-yearly instalments but with such handling fees as We shall determine from time to time. We may cancel this arrangement at any time in respect of future Total Premiums . The Policy Owner may apply to Us to change the Premium or Benefits attributable to this Policy . Subsequent to this, We may change the Premium and/or alter any Benefits under this Policy in accordance with this instruction.
POLICY FEE	5		We will charge You a policy fee, which forms part of Your Total Premium . The policy fee is used to pay the ongoing administration costs of this Policy . The policy fee is specified in Your Policy Schedule . We may change this policy fee from time to time. If this occurs any such change will be notified to You in writing.
PERIOD OF ASSURANCE	6		The term of this Policy and the period of assurance covered by each annual Total Premium , or instalment of annual Total Premium , terminate on the due date of the next annual Total Premium or instalment. A thirty (30) day grace period is allowed after the due date for payment of each Premium . This Policy will automatically terminate if the Total Premium is not paid before the expiration of the grace period. In such an instance this Policy can be reinstated subject to: <ul style="list-style-type: none"> • Our consent; and • such evidence of continued good health of the Life Assured as We may require; and • the payment of all Total Premiums in arrears together with such interest thereon as We may decide. <p>We may vary your Benefits, charge additional Premiums or not allow You to reinstate the Policy if the health, occupation, financial position or pastimes of the Life Assured have changed.</p>
CLAIM PROCEDURE	7	A	Written proof of Total Disability (as defined in Clause 1 “Total Disability” under Section D below) acceptable to Us must be given to Us within thirty (30) days after the Life Assured becomes Totally Disabled .

- B** If **You** do not provide written proof satisfactory to **Us** within that time, the **Waiting Period** (as defined in Clause 6 “Waiting Period” under Section D below) may be deemed by **Us** to have commenced no earlier than thirty (30) days before **We** received written proof.
- C** Any expense incurred in providing due proof of the existence of a claim or of income shall be borne by **You**.
- D** **We** shall have the right and opportunity to call for an examination of the **Life Assured** by any **Medical Practitioner** or appropriately qualified health professional of **Our** choice at **Our** expense as often as **We** may reasonably require both during the initial assessment of a claim and during any ongoing claim.
- E** If the **Life Assured** suffers personal injury or sickness which is as a result of or in any way caused by any other person or party, then **We** shall be entitled at **Our** expense and in the name of the **Life Assured** to take any proceedings necessary to obtain recovery from any other party. The **Life Assured** must provide all reasonable assistance and co-operation in the prosecution of the claim.
- F** Responsibilities during claims assessment and while in receipt of New to Business Cover **Benefits**:
1. Undergo assessment of present and likely capabilities for the purposes of rehabilitation, at the expense of **AIA New Zealand**.
 2. Follow the advice of the treating **Medical Practitioner**, including recommended courses of treatment and rehabilitation.
 3. Co-operate with **AIA New Zealand** in the development and implementation of a rehabilitation plan in order to endeavour to terminate or reduce the extent of any disability, impairment or incapacity.
 4. The **Life Assured** must notify **AIA New Zealand** before he or she returns to any work, paid or unpaid, in any capacity.
 5. The **Life Assured** must advise **AIA New Zealand** immediately if they increase work hours.
 - a. If any of these responsibilities are not met when reasonably required by **AIA New Zealand**, **We** have the right to either suspend claim payments or decline **Your** claim.
AIA New Zealand must give the **Life Assured** written notice of any proposed suspension not less than thirty (30) days before the proposed suspension date.
 - b. **AIA New Zealand** may decline to provide any **Benefit for** as long as the **Life Assured** unreasonably fails to comply with any requirement of the terms and conditions relating to **Your** claim or fails to meet their responsibilities outlined above.

We also have the right to recover overpayments from **You**, if these responsibilities are not met.

FORFEITURE OF PREMIUMS	8	If this Policy becomes void or is terminated under any of these conditions all Total Premiums paid shall be absolutely forfeited to Us .
TERMINATION	9	<p>Unless previously terminated, this Policy and any ongoing claims shall terminate on the earliest of:</p> <p>A The anniversary of the Policy Commencement Date following the Life Assured attaining the age of sixty-five (65) regardless of whether a claim is being paid.</p> <p>B Written notification of cancellation from You to Us at any time.</p> <p>C The death of the Life Assured.</p> <p>D Non-payment of Total Premium as set out in Clause 6 "Period of Assurance" above.</p> <p>E The Life Assured is declared bankrupt or their business is liquidated, placed into receivership, ceases to operate or cannot pay its debts when they fall due or is deemed not to be able to pay them in accordance with Section 287 of the Companies Act 1993 unless such action has occurred as a direct result of the death or disability of the Life Assured as determined by Us at Our sole discretion.</p>
WORLDWIDE COVER	10	Cover under this Policy applies twenty-four (24) hours a day, anywhere in the world. If You are overseas during the period of a claim, Benefits will be paid in New Zealand currency.
ENTIRE CONTRACT	11	<p>This Policy is the entire contract of insurance between You and AIA New Zealand. It comprises the following parts:</p> <ul style="list-style-type: none"> • Your application for insurance; and • this Policy wording; and • the Policy Schedule; and • any other written notice that AIA New Zealand gives You; and • any written notice that You give Us.
TAX CHANGES	12	In the event of any changes in taxation after the Policy Commencement Date which affects the Benefits or Our liability, We may make such amendments or modifications to the Premium and Benefits and this Policy as We consider appropriate.
GENERAL	13	<p>A This Policy does not participate in bonus distributions or acquire a cash surrender, loan or maturity value.</p> <p>B Where this Policy refers to an Act of Parliament, this includes any Regulations made under it. It also includes any Act or Regulations enacted in substitution.</p> <p>C Your life insurance Policy is part of the AIA New Zealand Statutory Fund, effective 1st September 2013. This is a requirement under the Insurance (Prudential Supervision) Act 2010, for policyholder protection.</p>

FREE LOOK PERIOD 14

To enable **You** to consider the **Policy** in detail **You** will have a free look period of fourteen (14) days after **You** receive **Your Policy** document. During this period, if **You** decide that the **Policy** does not suit **Your** needs then **You** may return it to **Us** and receive a full refund of all **Total Premiums** paid and the **Policy** will be cancelled.

NOTICES 15

Should **You** write to **Us** about this **Policy**, **You** must send the letter to **Our** head office in New Zealand as notified by **Us** to **You** from time to time.

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

AIA New Zealand
Private Bag 300981
Albany
AUCKLAND CITY 0752

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

AIA New Zealand
Level 15
5-7 Byron Avenue
Takapuna
AUCKLAND CITY 0740

SECTION C - NEW TO BUSINESS COVER BENEFITS

- TOTAL DISABILITY BENEFIT** 1 If the **Life Assured** is **Totally Disabled**, **We** will pay, following the **Waiting Period**, the monthly **Benefit** for such period as the **Life Assured** remains **Totally Disabled** up to the **Benefit Period** (as defined in Clause 5 “Benefit Period” under Section D below) or until the **Life Assured** is no longer **Totally Disabled**, whichever is the sooner. This is a monthly **Benefit** payable in advance subject to receipt of a progress report completed by the **Life Assured** and a **Medical Practitioner**.
- RECURRENT DISABILITY BENEFIT** 2 Successive periods of disability resulting from the same or related cause within twelve (12) months of resuming work shall be considered a continuation of the same disability and no **Waiting Period** shall apply. Such periods of recurrent disability shall be added to the original **Total** or **Partial** (if applicable) **Disability** period for the purposes of applying the **Benefit Period**.
- OPTIONAL PARTIAL DISABILITY BENEFIT** 3 This option is only available to **You** if it is shown in the **Policy Schedule**.
- We** will pay a **Partial Disability Benefit** if the **Life Assured** is **Partially Disabled** (as defined in Clause 2 under Section D below) and the **Waiting Period** has elapsed.
- The amount payable under this **Optional Partial Disability Benefit** will be a percentage of the monthly **Sum Assured** as shown in the **Policy Schedule**. The percentage is the number of hours per week that the **Life Assured** is able to work while **Partially Disabled** as a percentage of the average number of hours that the **Life Assured** worked in the 3 months immediately prior to becoming **Totally Disabled**.
- Calculation: % = $1 - (\text{hours worked while Partially Disabled} / \text{hours worked on average in the three months prior to Total Disability})$.
- For example, if the **Life Assured** is able to work 20 hours per week while **Partially Disabled** and was working 40 hours per week on average in the three months immediately prior to becoming **Totally Disabled** then the percentage payment will be 50% of the monthly **Sum Assured** as shown in the **Policy Schedule**.
- To allow **Us** to accurately assess the ongoing validity of a **Partial Disability** claim, the **Partial Disability** benefit will be paid monthly in arrears until the **Life Assured** is no longer **Partially Disabled**.
- DEATH BENEFIT** 4 The **Death Benefit** is payable if the **Life Assured** dies whilst receiving a **New to Business Cover** claim payment from **Us** and the **Policy** is in force. The amount payable will be a lump sum amount of six (6) times the monthly **Sum Assured** detailed in the **Policy Schedule**.

WAIVER OF PREMIUM	5	<p>During a period of Total, Partial or Recurrent Disability for which a Benefit is being paid, all Total Premiums due will be waived by Us.</p>
LEAVE WITHOUT PAY AND SUSPENSION OF COVER	6	<p>You can apply to suspend cover for a Life Assured for a period of up to twelve (12) months if:</p> <ul style="list-style-type: none"> • You or the Life Assured take a period of Leave Without Pay from his/her regularly remunerated occupation; • You take employer approved parental leave; • You become redundant, or unemployed; • You have a reduction in pay of at least 20% (comparing the most recent payslip against a previous payslip from the same year); or • If self-employed, You have a reduction in revenue of at least 30% (by comparing one month's revenue against the same month for the previous year), <p>provided the request is made in writing by You to Us and has been accepted by Us.</p> <p>We will resume cover without requiring evidence of health for any insured person when the requested suspension period expires. Once cover is reinstated, Total Premiums must recommence.</p> <p>We will not pay any Benefits under this Policy in respect of any claim event that first meets the criteria for an eligible claim while cover is suspended.</p>
PREMIUM	7	<p>The annual Total Premium or instalment of the Total Premium is payable for the entire duration of the Benefit. Please note that the Premium Rates are not guaranteed and are subject to review from time to time. The Premium will be determined by the Premium Rates in effect at that time.</p>
RENEWAL	8	<p>The New to Business Cover Benefit may be renewed up to the anniversary of the Policy Commencement Date following the Life Assured attaining age sixty-five (65) as per the Policy Schedule, regardless of changes in the health or occupation of the Life Assured.</p>
CONVERSION OPTION	9	<p>You may convert Your Policy on the second and subsequent Policy Anniversary Date(s) prior to the Life Assured reaching age sixty-five (65) to an Indemnity Income Protection Policy of the same Benefit Period and Waiting Period. We will not require You or the Life Assured to produce further medical evidence at the time of conversion. The terms and conditions of the new Policy will be those which are then offered by Us to the general public.</p>
GUARANTEED PASS BACK OF BENEFIT ENHANCEMENTS	10	<p>If We make future enhancements to Our Policy wordings We will pass back the enhanced Benefit, feature and/or condition automatically to You. The enhanced Benefit, feature and/or condition will only apply to claimable events which occur after the date We pass back the enhanced Benefit, feature and/or condition to You. Any underwriting exclusion or special terms that apply to this Policy will not be altered by any enhanced Benefit, feature and/or condition. This Benefit is to ensure that You will be better off as a result of the enhanced Benefit, feature and/or condition. If You are inadvertently</p>

disadvantaged in anyway then the previous **Policy** wording will apply.

**REHABILITATION
AND SUPPORT**

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On receiving notification of a new or potential 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 **Our** opinion.

Acceptance of any costs associated with the agreed rehabilitation and functional support by **Us** does not mean that **We** will accept liability for any other **Benefit** under this **Policy** and are accepted at the sole discretion of **Us**

EXCLUSIONS

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No **Benefits** shall be paid if the **Life Assured** is working less than thirty (30) hours per week at the time of making a claim.

No **Benefits** shall be paid under this **Policy** if the injury or sickness resulting in **Total Disability** directly or indirectly was caused by or resulted from:

- A** Intentionally self-inflicted injury whether the **Life Assured** is sane or insane.
- B** Participation in any **Criminal Act**.
- C** Pregnancy, childbirth, abortion or miscarriage unless the **Total Disability** lasts for more than ninety (90) days after the end of the pregnancy, at which time the **Waiting Period** will commence.
- D** Any injury, sickness, or related condition in respect of which twenty-four (24) months of the **Benefit** has already been paid unless the **Life Assured** returns to work for more than twelve (12) consecutive months. Where the **Life Assured** has returned to work for more than twelve (12) consecutive months all of the following conditions must be met for **Us** to consider a claim for the same or related condition:
 - The **Life Assured** must have ceased to be either **Totally Disabled** or **Partially Disabled** during the consecutive twelve (12) months of returning to work; and
 - The **Life Assured** must have been able to perform all of their pre-disability duties during the consecutive twelve (12) months of returning to work; and
 - The **Life Assured** must have worked the same number of hours during the consecutive twelve (12) months of returning to work that they undertook prior to the **Total Disability**.

SECTION D - NEW TO BUSINESS COVER DEFINITIONS

TOTAL DISABILITY	1	<p>Means a period of injury or sickness commencing when the Life Assured first received advice from a Medical Practitioner for that injury or sickness provided that:</p> <p>A The Life Assured is under the regular and personal care of a Medical Practitioner; and</p> <p>B The Life Assured's injury or sickness is supported by clinical evidence and approved by Us; and</p> <p>C The Life Assured is unable to perform the Life Assured's occupation as the result of that injury or sickness; and</p> <p>D Inability to perform the Life Assured's occupation is as follows: Occupation Classes 1, 2, 3 & 4: Inability to:</p> <ul style="list-style-type: none">• perform at least one important income producing duty of the Life Assured's occupation and is not working in that occupation; or• follow one's own occupation for more than ten (10) hours per week. We will arrange assessments with an appropriately qualified health professional if this situation occurs; and <p>E The Life Assured is not working or engaged in any other occupation or business.</p> <p>F Totally Disabled has a corresponding meaning.</p>
PARTIAL DISABILITY	2	<p>Means a disability resulting from a serious injury or sickness which results in the Life Assured having returned to work in a reduced capacity. The reduction in work capacity must be as a result of the continuation of the disability. The Partial Disability must be supported by an appropriate Diagnosis from a Medical Practitioner and evidence acceptable to Us. Subject to the following conditions:</p> <p>A The hours worked by the Life Assured per week are less than 75% of the hours worked per week in the three (3) months immediately prior to being Total Disabled; and</p> <p>B The Life Assured is under the regular and personal care of a Medical Practitioner, and The Life Assured is not Totally Disabled.</p>
BENEFIT	3	<p>Means the monthly Benefit, paid monthly in advance, specified in the Policy Schedule.</p>
OFFSETS	4	<p>This Benefit will not be reduced by any other income replacement benefits being received by You in respect of the Life Assured.</p>
BENEFIT PERIOD	5	<p>Means the Benefit Period specified in the Policy Schedule.</p>
WAITING PERIOD	6	<p>Means the Waiting Period specified in the Policy Schedule of continuous Total Disability which must elapse from the date upon which the Life Assured first received medical advice from a Medical Practitioner in respect of that disability before the monthly Benefit becomes payable.</p>

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