

Business Cover Professional - Business Continuation 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 the policy fee together with any applicable GST as specified in **Your Policy Schedule**.

SECTION B - BUSINESS CONTINUATION 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 Business Continuation 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 Total 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 5 "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 Business Continuation 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.
 6. 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.
 - a. **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	Unless previously terminated, this Policy and any ongoing claims shall terminate on the earliest of:

		<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>
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	<p>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.</p> <p>The postal address of AIA New Zealand's head office is: AIA New Zealand Private Bag 300981 Albany AUCKLAND CITY 0752</p> <p>The street address of AIA New Zealand's head office is: AIA New Zealand Level 15 5-7 Byron Avenue Takapuna AUCKLAND CITY 0740</p>

SECTION C - BUSINESS CONTINUATION 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 4 "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**.
- POLICY REVIEWS** 3 **You** must provide, at **Your** own expense, updated financial evidence to **Us** which in **Our** sole opinion continues to justify the **Benefit** specified in the **Schedule**. The updated financial evidence must be provided at least once every two (2) years and no later than 90 days from the **Policy Anniversary Date** commencing on the second **Policy Anniversary**. Should the financial evidence not justify ninety percent (90%) of the current **Sum Assured**, **We** reserve the right to reduce the **Sum Assured** which in **Our** opinion is justified on the current **Policy** review.
- FAILURE TO PROVIDE UPDATED FINANCIAL EVIDENCE** 4 In the event of a claim being made where **You** have failed to provide financial evidence as required in clause 3 above, **We** reserve the right to conduct a **Policy** review requiring **You** to produce updated financial evidence before any claim will be paid. The amount then payable will be the lesser of the **Benefit** specified in the **Schedule** or the **Benefit** which in **Our** opinion is justified based on this current **Policy** review.
- BUSINESS INCREASE OPTION** 5 If as a result of a **Policy Review**, the financial evidence justifies, in **Our** sole opinion, an increase to the **Sum Assured** then **You** may apply to increase the **Sum Assured** without the need to produce any evidence of health of the **Life Assured** when **You** apply for this increase.
- The following conditions apply to any increase under this option:
- A** **You** must apply in writing together with the financial evidence required to substantiate the increase; and
 - B** The basis on which the increase is calculated is consistent with that used at the time of applying for Business Continuity Cover; and
 - C** The **Life Assured** must be sixty (60) years old or under when applying for the increase; and
 - D** **You** have not previously made a claim under this **Policy** for the **Life Assured**; and
 - E** The **Life Assured** is not receiving, has not applied to receive or is not entitled to receive disability or insurance benefits, including but not limited to ACC or any other government organisation scheme; and

		F	The Total Premium under this Policy is not being waived for any reason; and
		G	Only one (1) increase is permitted in any twelve (12) month period.
MAXIMUM INCREASES UNDER BUSINESS INCREASE OPTION	6		<p>The maximum single increase to the Sum Assured that can be exercised under clause five (5) Business Increase Option is the lesser of:</p> <ul style="list-style-type: none"> • The amount We determine is justified by the financial evidence submitted in support of the Policy review; or • Twenty percent (20%) of the Sum Assured at the time of the Policy review. <p>The overall maximum the Sum Assured can be increased to under the Business Increase Option is the lesser of:</p> <ul style="list-style-type: none"> • Two (2) times the Sum Assured at the Policy Commencement Date; or • Fifty thousand (\$50,000) per month
WAIVER OF PREMIUM	7		During a period of Total Disability or Recurrent Disability for which a monthly Benefit is being paid, all Total Premiums due will be waived by Us .
LEAVE WITHOUT PAY AND SUSPENSION OF COVER	8		<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	9		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.

**OPTIONAL PARTIAL
DISABILITY BENEFIT 10**

This option is only available to **You** if it is shown in the **Policy Schedule**.

Only **Lives Assured** in occupation classes 1-3 are entitled to the Optional Partial Disability Benefit. The Optional Partial Disability Benefit will be paid, if while this **Policy** is in force, a **Life Assured** becomes disabled and then returns to work at a reduced capacity (that is the hours worked per week while partially disabled are less than 75% of the hours worked per week in the three months immediately prior to being **Totally Disabled** as a result of the same disability) and **We** have accepted the claim. To allow **Us** to accurately assess the ongoing validity of a partial disability claim, the partial disability benefit will be paid monthly in arrears from the end of the **Waiting Period** until the **Life Assured** is no longer partially disabled.

The amount payable under the 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**. The **Life Assureds** work capacity while partially disabled is determined by **Us** on the basis of medical certification or demonstrated ability acceptable to **Us**.

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**.

Calculation: % = 1 - (hours worked while partially disabled / hours worked on average in the three months prior to **Total Disability**).

RENEWAL 11

The Business Continuation 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**.

**REHABILITATION
AND SUPPORT 12**

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**.

**GUARANTEED PASS 13
BACK OF BENEFIT
ENHANCEMENTS**

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** are not disadvantaged as a result of the enhanced benefit, feature and/or condition. If **You** are inadvertently disadvantaged in anyway then the previous **Policy** wording will apply.

EXCLUSIONS 14

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 twelve (12) 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 - BUSINESS CONTINUATION 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 is not engaged in any other occupation from which the Life Assured derives income; and</p> <p>C The Life Assured is unable to:</p> <ul style="list-style-type: none">• perform at least one important income producing duty of their occupation and is not working in their occupation; or• follow their occupation for more than ten (10) hours per week. <p>Inability to perform the Life Assured's occupation is defined by reference to the occupational class specified in the Policy Schedule as follows:</p> <p>Occupation Classes 1, 2 & 3: Inability to follow one's own occupation for more than ten (10) hours per week.</p> <p>Totally Disabled has a corresponding meaning.</p> <p>D The Life Assured's injury or sickness is supported by clinical evidence and approved by Us.</p> <p>E The condition resulting in the Total Disability must have first Manifested itself after the Policy Commencement Date shown in the Policy Schedule, or the date of any reinstatement or increase of the Policy.</p>
BENEFIT	2	<p>Means the monthly Benefit, paid monthly, specified in the Policy Schedule.</p>
OFFSETS	3	<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	4	<p>Means the Benefit Period specified in the Policy Schedule.</p>
WAITING PERIOD	5	<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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