

Business Cover Professional - Life Cover

SECTION A - BUSINESS COVER DEFINITIONS

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.

Consumer Price Index Increase

Means any increase in the index published by the Statistics Department of New Zealand for "All Groups" as at 30 September each year (or the nearest equivalent index should this index be replaced).

Full-Time Care

Means having primary responsibility and actively undertaking, whether shared or alone, the day-to-day care of persons who cannot safely take care of themselves without supervision.

Life Assured

Means the **Life Assured** or **Lives Assured** 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**.

Marriage

Means a **Marriage** as defined in the Marriage Act 1955.

Medical Practitioner

Means any person approved by **Us** and registered with the Medical Council of New Zealand to render medical or surgical services, who holds an Annual Practising Certificate. For a **Diagnosis** 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 Guarantee Period

Means the period of time specified in **Your Policy Schedule** during which the **Premium Rates** applicable to **Your Policy** are guaranteed not to increase.

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**.

Registered Medical Specialist

A medical specialist in an appropriate discipline who is a member of a recognised specialist college and vocationally registered with the Medical Council of New Zealand in that speciality. This excludes general practitioners (who are considered to be registered medical practitioners). 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**.

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 - LIFE COVER BENEFIT 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	<p>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.</p> <p>The duty of disclosure means that:</p> <ol style="list-style-type: none">1. All the statements that You or any Life Assured make to AIA New Zealand (both written and oral), including the answers in:<ol style="list-style-type: none">a. the application;b. any claim made by You; andc. 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:<ol style="list-style-type: none">a. to accept Your application for insurance, on what terms AIA New Zealand will accept it and how much it will cost; orb. 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:<ol style="list-style-type: none">a. the Policy Commencement Date or the date AIA New Zealand accepts Your application for insurance, whichever is later; orb. 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. <p>IMPORTANT</p> <p>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:</p> <ol style="list-style-type: none">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. <p>If You are not sure whether You are required to disclose a particular fact, please ask AIA New Zealand or Your insurance adviser.</p>
		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	<p>No increase in Premium Rates will apply to this Policy as a result of 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 Cover Professional Life Cover policies and to apply the reviewed rates and fees to this Policy at the commencement of the next Premium Guarantee Period.</p>
PREMIUM PAYMENTS	4	<p>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.</p> <p>You 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.</p>
POLICY FEE	5	<p>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.</p>
PERIOD OF ASSURANCE	6	<p>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.</p> <p>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:</p> <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>
SUICIDE	7	<p>This Policy will terminate and We shall not be liable to pay the Sum Assured if the Life Assured, whether sane or insane, dies by his or her own hand within thirteen (13) months after the Policy Commencement Date or the date of last reinstatement or increase. This clause applies separately to each Benefit or increase (other than Consumer Price Index Increases) of this Policy.</p>
TERMINATION	8	<p>Unless previously terminated, this Policy shall terminate on the earliest of:</p> <p>A The anniversary of the Policy Commencement Date following the Life Assured attaining age One Hundred (100).</p> <p>B Payment of the Life Cover Benefit due to Terminal Illness in accordance with Clause 11 "Terminal Illness Benefit" under Section C of this Policy.</p>

		C	Written notification of cancellation from You to Us at any time.
		D	Non-payment of Total Premium as set out in Clause 6 "Period of Assurance" above.
		E	Death of the Life Assured .
SETTLEMENT OF BENEFITS	9		When the Life Assured dies We will pay You the amount of interest to which You would be entitled under any legislation in force governing payment of interest under life insurance policies.
FORFEITURE OF PREMIUMS	10		If this Policy is avoided or is terminated under any of the terms and conditions of this Policy , all Total Premiums paid shall be absolutely forfeited to Us .
WORLDWIDE COVER	11		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	12		This Policy is the entire contract of insurance between You and AIA New Zealand . It comprises the following parts: <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	13		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.
DEATH BENEFITS PAYABLE WHERE THAN MORE THAN ONE (1) LIFE ASSURED	14		If there is more than one (1) Life Assured shown on the Policy Schedule , We will pay the Life Cover Benefits for each Life Assured . The amount of the Benefit payable will be the Sum Assured payable for that person under this Policy . The Life Cover Benefit will end when all Lives Assured have died, and to the extent a Life Cover Benefit is payable in respect to each of them, that Benefit has been paid.
GENERAL	15	A	This Policy does not participate in bonus distributions or acquire a cash surrender, loan or maturity value.
		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.
		C	Your life insurance Policy is part of the AIA New Zealand Statutory Fund, effective 1 st September 2013. This is a requirement under the Insurance (Prudential Supervision) Act 2010, for policyholder protection.
FREE LOOK PERIOD	16		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

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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 0752

The street address of **AIA New Zealand's** head office is:
AIA New Zealand
Level 15
5-7 Byron Avenue
Takapuna
AUCKLAND 0622

SAMPLE

SECTION C - LIFE COVER BENEFITS

BENEFIT	1	<p>If the Life Assured dies We will pay the current Life Cover Benefit Sum Assured provided that:</p> <p>A The Life Assured dies before the Policy terminates as detailed under Clause 8 "Termination" under Section B above; and</p> <p>B The Life Cover Benefit Total Premium has been paid.</p> <p>The maximum Life Cover Benefit that We will pay per Life Assured is \$16,000,000 irrespective of the number of Policies held.</p>
PREMIUM	2	<p>The Life Cover Premium specified in the Policy Schedule will be recalculated at the expiration of the selected Premium Guarantee Period specified in the Policy Schedule, and of each succeeding Premium Guarantee Period, based on the age at the next birthday of the Life Assured. If Your Policy Schedule shows that You have selected one of the Level Premium Guarantee Period options the Life Cover Premium will remain level until the Level Premium Guarantee Period shown in the Policy Schedule ends.</p> <p>At the end of the selected Level Premium Guarantee Period the Premium will be recalculated to a Premium based on the age of the Life Assured.</p> <p>Subsequent Level Premium Guarantee Periods will be recalculated at each Policy Anniversary Date based on the age of the Life Assured.</p> <p>Or</p> <p>If the Policy Schedule shows that you have selected a one (1) Year Premium Step option, Your Life Cover Benefit Premium specified in the Policy Schedule will be recalculated at the expiration of the initial and subsequent Premium Guarantee Periods, based on the age next birthday of the Life Assured.</p>
INFLATION ADJUSTED BENEFIT OPTION	3	<p>If the Policy Schedule shows that You have selected the Inflation Adjusted Benefit option, the Life Cover Benefit will increase on each anniversary of the Policy Commencement Date by an amount equal to the Consumer Price Index Increase for the year ended 30 September for which figures are available at the date the Sum Assured is to be increased. You may decline any Consumer Price Index Increase. This option expires upon termination of the Policy in accordance with Clause 8 "Termination", Section B. This option will cease once the maximum total Sum Assured of \$16,000,000 has been reached.</p>
LEVEL BENEFIT OPTION	4	<p>If the Policy Schedule shows that You have selected the Level Benefit option, the Life Cover Benefit will remain at the amount specified on the Policy Schedule.</p>
LEVEL INDEXED BENEFIT OPTION	5	<p>If the Policy Schedule shows that You have selected the Level Indexed Benefit option, the Life Cover Benefit will increase on each anniversary of the Policy Commencement Date by the percentage amount shown on the Policy Schedule. This option expires upon termination of the Policy in accordance with Clause 8 "Termination", Section B. This option will cease</p>

once the maximum total **Sum Assured** of \$16,000,000 has been reached.

This **Benefit** will expire on the **Policy Anniversary Date** after the **Life Assured** reaches seventy (70) years old.

RENEWAL	6	The Life Cover Benefit may be renewed up to the anniversary of the Policy Commencement Date following the Life Assured attaining age one hundred (100).
BUSINESS INCREASE OPTION	7	<p>The Policy Owner(s) may apply for an increase in the Sum Assured without further evidence of health subject to the following conditions:</p> <p>A We must receive a written request signed by all Policy Owner(s) within ninety (90) days of the applicable business event occurring.</p> <p>B You must satisfy Us that the value of the Life Assured's financial interest is at least equal to the requested increase to the amount of cover. You must provide:</p> <ul style="list-style-type: none">• A valuation of the business or valuation of the Life Assured to the business (as provided by an independent qualified accountant or business valuer); and/or• Evidence of the loan guarantee and any other contractual or financial evidence We may request. <p>Any increase request's calculation method must be consistent with that adopted in the Policy application.</p> <p>C If You do not increase Your insurance by the full amount identified in a review of Your insurance requirements, You may not defer the potential increase to a later review.</p> <p>D The option to increase the Sum Assured must be exercised before the option expiry date (see Clause 8 "Expiry of Business Increase Option" below).</p> <p>E The maximum increase in the Sum Assured for Life Cover will be the lesser of five (5) times the Sum Assured at the Policy Commencement Date shown in the Policy Schedule, or the stated maximum increase as indicated on the Policy Schedule with a maximum total Sum Assured of \$16,000,000.</p> <p>F Any increase is subject to approval by Us.</p> <p>G Any increase in the Sum Assured will require an additional Premium, the amount of which will be dependent on the current Premium Rates for the type of cover at the date the increase in Sum Assured is effected.</p> <p>H Only one (1) increase can be made each year.</p>
EXPIRY OF BUSINESS INCREASE OPTION	8	<p>The Business Increase Option will expire on the earliest of the following:</p> <ul style="list-style-type: none">• The date We receive Your written request to cancel the Benefit.• The maximum increase limit for the Sum Assured has been reached for the applicable Benefit.• If You are entitled to make a claim or We have paid a claim under this Life Cover Benefit.• The Policy Anniversary Date ten (10) years after the later of:<ul style="list-style-type: none">○ The commencement date of the Business Increase Option.○ The last increase using the Business Increase Option We approved.• Non-payment of the Total Premium as set out in Period Of Assurance Section B, Clause 6.• The Policy Anniversary Date following the Life Assured

- attaining age sixty-five (65).
- The **Life Assured's** death.

FUNERAL BENEFIT	9	<p>Upon receiving written notification acceptable to Us that the Life Assured has died, We will immediately pay a lump sum of \$15,000 (or the Life Cover Benefit, whichever is the lesser) to the Policy Owner. This Funeral 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. If You have more than one (1) Life Cover Benefit the Funeral Benefit payment will only be paid on one (1) of those Life Cover Benefits. Payment of the Funeral Benefit does not indicate Our acceptance of the claim on the Life Cover Policy.</p>
FINANCIAL PLANNING AND LEGAL BENEFIT	10	<p>Upon payment of the Life Cover Benefit or Terminal Illness Benefit, We will pay an additional lump sum of \$1,000 to the Policy Owner for the purposes of seeking financial planning and/or legal advice. Only one (1) Financial Planning and Legal Benefit payment per Life Assured will be made regardless of the number of additional Policies held with Us.</p>
TERMINAL ILLNESS BENEFIT	11	<p>Should the Life Assured be diagnosed by a Registered Medical Specialist as having an illness which is likely to result in the death of the Life Assured within twelve (12) months of diagnosis, a lump sum up to the amount of the Life Cover Benefit will be paid. The Life Cover Benefit will be reduced by the amount of payment made.</p> <p>We shall have the right to call for an examination at Our expense, of either the Life Assured or the evidence used in arriving at such diagnosis, by an independent acknowledged expert in the field of medicine concerned selected by Us, and the opinion of such expert as to such diagnosis shall be binding on You, the Life Assured and Us.</p>
CONVERSION OPTION	12	<p>You may at any time prior to the Life Assured reaching age sixty-five (65):</p> <p>A Convert all or part of the Life Cover Benefit from the Premium specified in Your Policy Schedule to a Level Premium structure. The Life Cover Benefit under this Policy will be reduced by the amount of insurance so converted; or</p> <p>B Convert a Level Premium term to a further Level Premium term, of which duration may be the same or less than the current Level Premium term.</p> <p>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. Premiums will be calculated on the current age of the Life Assured. Any Premium loading(s) and/or exclusion(s) that applied to Your existing Life Cover Benefit will apply to Your new Life Cover Benefit.</p>
GUARANTEED PASS BACK OF BENEFIT ENHANCEMENTS	13	<p>If We make future enhancements to our Policy wordings that do not result in a Premium increase, We will pass back the enhanced benefit, feature and/or condition automatically. 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</p>

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.

**COUNSELLING
BENEFIT**

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Upon payment of a Life Cover **Benefit**, and after referral by a **Registered Medical Specialist**, **We** will reimburse up to \$2,500 to cover the cost of a Psychiatrist or Psychologist consultation and/or counselling where the support treatments and/or consultations directly relates to a claim, subject to the following conditions:

- **You** must pay for the consultation and/or counselling within three (3) months following **AIA New Zealand** paying the Life Cover **Benefit** claim;
- **You** must provide **Us** with a receipt for the consultation and/or counselling **You** are claiming.

Only one (1) Counselling **Benefit** payment per **Life Assured** will be made regardless of the number of additional **Policies** held with **Us**. This is in addition to the **Sum Assured**.

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