

## Business Cover Professional - Total and Permanent Disability

### 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) and **AIA New Zealand's** advisers or reinsurers. '**You**' or '**Your**' means the **Policy Owner(s)**.

#### **Accelerated Benefit**

Means the Trauma Cover or Total Permanent Disability Cover taken out on an accelerated basis with Life Cover as set out in **Your Policy Schedule**. Payment of this **Benefit** will lead to a proportional reduction in the amount of the Life Cover as appropriate.

#### **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.

#### **Close Relative**

Means a relative who is the **Life Assured's** spouse, **Civil Union** or de facto partner, mother, father, step mother, step father, brother, sister, step brother, step sister, child, grandfather or grandmother.

#### **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).

#### **Diagnosis & Diagnosed**

Means the first definitive **Diagnosis** made in writing by a **Medical Practitioner**, based upon such specific evidence or in the absence of such specific evidence, based upon radiological, clinical, histological or laboratory evidence acceptable to **Us**. In the event of any doubt regarding the appropriateness or correctness of the **Diagnosis**, **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**.

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

#### **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. Assuming **Your** cover doesn't change, **Your Premiums** will remain the same for each renewal period as specified in **Your Policy Schedule**.

**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 - TOTAL AND PERMANENT DISABILITY BENEFIT FEATURES

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

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.

<b>PREMIUM RATES</b>	<b>3</b>	<p>No increase in <b>Premium Rates</b> will apply to this <b>Policy</b> as a result of change in the health, occupation or circumstances of the <b>Life Assured</b>. However, <b>We</b> have the right to review at any time and from time to time the <b>Premium Rates</b> and handling fees applicable to all Total and Permanent Disability policies and to apply the reviewed rates and fees to this <b>Policy</b> at the commencement of the next <b>Premium Guarantee Period</b>.</p>
<b>PREMIUM PAYMENTS</b>	<b>4</b>	<p>With <b>Our</b> agreement the annual <b>Total Premium</b> may be paid by equal fortnightly, monthly, quarterly or half-yearly instalments but with such handling fees as <b>We</b> shall determine from time to time. <b>We</b> may cancel this arrangement at any time in respect of future <b>Total Premiums</b>.</p> <p><b>You</b> may apply to <b>Us</b> to change the <b>Premium</b> or <b>Benefits</b> attributable to this <b>Policy</b>. Subsequent to this, <b>We</b> may change the <b>Premium</b> and/or alter any <b>Benefits</b> under this <b>Policy</b> in accordance with this instruction.</p>
<b>POLICY FEE</b>	<b>5</b>	<p><b>We</b> will charge <b>You</b> a policy fee, which forms part of <b>Your Total Premium</b>. The policy fee is used to pay the ongoing administration costs of this <b>Policy</b>. The policy fee is specified in <b>Your Policy Schedule</b>. <b>We</b> may change this policy fee from time to time. If this occurs any such change will be notified to <b>You</b> in writing.</p>
<b>PERIOD OF ASSURANCE</b>	<b>6</b>	<p>The term of this <b>Policy</b> and the period of assurance covered by each annual <b>Total Premium</b>, or instalment of annual <b>Total Premium</b>, terminate on the due date of the next annual <b>Premium</b> or instalment. A thirty (30) day grace period is allowed after the due date for payment of each <b>Total Premium</b>.</p> <p>This <b>Policy</b> will automatically terminate if the <b>Total Premium</b> is not paid before the expiration of the grace period. In such an instance this <b>Policy</b> can be reinstated subject to:</p> <ul style="list-style-type: none"> <li>• <b>Our</b> consent; and</li> <li>• such evidence of continued good health of the <b>Life Assured</b> as <b>We</b> may require; and</li> <li>• the payment of all <b>Total Premiums</b> in arrears together with such interest thereon as <b>We</b> may decide.</li> </ul> <p><b>We</b> may vary <b>Your Benefits</b>, charge additional <b>Premiums</b> or not allow <b>You</b> to reinstate the <b>Policy</b> if the health, occupation, financial position or pastimes of the <b>Life Assured</b> have changed.</p>
<b>TERMINATION</b>	<b>7</b>	<p>Unless previously terminated, this <b>Policy</b> shall terminate on the earliest of:</p> <ul style="list-style-type: none"> <li><b>A</b> The anniversary of the <b>Policy Commencement Date</b> following the <b>Life Assured</b> attaining age sixty-five (65) or age seventy (70) depending on the age specified in the <b>Policy Schedule</b>.</li> <li><b>B</b> Payment of the <b>Total and Permanent Disability Benefit</b>.</li> <li><b>C</b> Written notification of cancellation from <b>You</b> to <b>Us</b> at any time.</li> <li><b>D</b> Non-payment of <b>Total Premium</b> as set out in Clause 6 "Period of Assurance" above.</li> <li><b>E</b> Death of the <b>Life Assured</b>.</li> </ul>
<b>CLAIMS</b>	<b>8</b>	<p>Written notice of a claim must be given to <b>Us</b> within ninety (90) days after becoming eligible in accordance with the definition of <b>Total and Permanent Disability</b> under Section D "Total and Permanent Disability <b>Benefit</b> Definitions".</p>

<b>PROOF OF DISABLEMENT</b>	<b>9</b>	<p>Written proof of a <b>Total and Permanent Disability</b> claim must be furnished to <b>Us</b> within ninety (90) days after becoming eligible in accordance with the definition of <b>Total and Permanent Disability</b> under Section D “Total and Permanent Disability <b>Benefit</b> Definitions”.</p> <p>Any expense incurred in providing due proof of a claim shall be borne by the <b>Life Assured</b>. <b>We</b> have the right and opportunity to call for an examination of the <b>Life Assured</b> at <b>Our</b> expense when and as often as <b>We</b> may reasonably require during the assessment of a claim.</p>
<b>FORFEITURE OF PREMIUMS</b>	<b>10</b>	<p>If this <b>Policy</b> is avoided or is terminated under any of the terms and conditions of this <b>Policy</b>, all <b>Total Premiums</b> paid shall be absolutely forfeited to <b>Us</b>.</p>
<b>WORLDWIDE COVER</b>	<b>11</b>	<p>Cover under this <b>Policy</b> applies twenty-four (24) hours a day, anywhere in the world. If <b>You</b> are overseas during the period of a claim, <b>Benefits</b> will be paid in New Zealand currency.</p>
<b>ENTIRE CONTRACT</b>	<b>12</b>	<p>This <b>Policy</b> is the entire contract of insurance between <b>You</b> and <b>AIA New Zealand</b>. It comprises the following parts:</p> <ul style="list-style-type: none"> <li>• <b>Your</b> application for insurance; and</li> <li>• this <b>Policy</b> wording; and</li> <li>• the <b>Policy Schedule</b>; and</li> <li>• any other written notice that <b>AIA New Zealand</b> gives <b>You</b>; and</li> <li>• any written notice that <b>You</b> give <b>Us</b>.</li> </ul>
<b>TAX CHANGES</b>	<b>13</b>	<p>In the event of any changes in taxation after the <b>Policy Commencement Date</b> which affects the <b>Benefits</b> or <b>Our</b> liability, <b>We</b> may make such amendments or modifications to the <b>Premium</b> and <b>Benefits</b> and this <b>Policy</b> as <b>We</b> consider appropriate.</p>
<b>TOTAL AND PERMANENT DISABILITY BENEFIT PAYABLE WHERE MORE THAN ONE (1) LIFE ASSURED</b>	<b>14</b>	<p>If there is more than one (1) <b>Life Assured</b> shown in the <b>Policy Schedule</b>, <b>We</b> will pay the <b>Total and Permanent Disability Benefit</b> for each <b>Life Assured</b>. The amount of the <b>Benefit</b> payable on the <b>Total and Permanent Disability</b> of a <b>Life Assured</b> will be the <b>Sum Assured</b> for that person. This <b>Benefit</b> will end when all <b>Lives Assured</b> have suffered a <b>Total and Permanent Disability</b>, and to the extent a <b>Total and Permanent Disability Benefit</b> is payable in respect to each of them, that <b>Benefit</b> has been paid.</p>
<b>GENERAL</b>	<b>15</b>	<p><b>A</b> This <b>Policy</b> does not participate in bonus distributions or acquire a cash surrender, loan or maturity value.</p> <p><b>B</b> Where this <b>Policy</b> 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><b>C</b> <b>Your</b> life insurance <b>Policy</b> is part of the <b>AIA New Zealand</b> Statutory Fund, effective 1 September 2013. This is a requirement under the Insurance (Prudential Supervision) Act 2010, for policyholder protection.</p>
<b>FREE LOOK PERIOD</b>	<b>16</b>	<p>To enable <b>You</b> to consider the <b>Policy</b> in detail <b>You</b> will have a free look period of fourteen (14) days after <b>You</b> receive <b>Your Policy</b> document. During this period, if <b>You</b> decide that the <b>Policy</b> does not suit <b>Your</b> needs then <b>You</b> may return it to <b>Us</b> and receive a full refund of all <b>Total Premiums</b> paid and the <b>Policy</b> will be cancelled.</p>

**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 - TOTAL AND PERMANENT DISABILITY BENEFITS

- BENEFIT**                    **1**                    If the **Life Assured** suffers a **Total and Permanent Disability** (as defined below in Section D “Total and Permanent Disability **Benefit** Definitions”) while this **Policy** is in force, **We** will pay **You** the **Total and Permanent Disability Benefit** shown on the **Policy Schedule** provided:
- A**    The **Total and Permanent Disability Benefit Total Premium** has been paid.
  - B**    The **Benefit** waiting period shown on the **Policy Schedule** has elapsed.

If the **Policy Schedule** shows **You** have selected a one (1) or five (5) year **Benefit** waiting period and if the **Life Assured** suffers a **Total and Permanent Disability** (as defined below in Section D “Total and Permanent Disability **Benefit** Definitions”) while this **Policy** is in force, **We** will pay **You** the **Total and Permanent Disability Benefit** shown on the **Policy Schedule** as set out below:

1. 10% of the **Sum Assured** or a maximum amount of \$10,000 (whichever is the lesser). The **Sum Assured** will then decrease by the amount paid.
2. The remaining **Sum Assured** will be paid after the nominated deferrable **Benefit** option wait period, as shown in the **Policy Schedule**, if the **Life Assured** continues to suffer a **Total and Permanent Disability** (as defined below in Section D “Total and Permanent Disability **Benefit** Definitions”) while this **Policy** is in force provided the **Total and Permanent Disability Benefit Total Premium** has been paid.

The maximum **Total and Permanent Disability Benefit** that **We** will pay per **Life Assured** is \$5,000,000 irrespective of the number of **Policies** held.

- PREMIUM**                    **2**                    The annual **Total Premium** (or instalment) is payable for the entire duration of the **Benefit**.

If the **Policy Schedule** shows **You** have selected a Level **Premium** option for the first three (3) years from the **Policy Commencement Date**, **We** will guarantee not to increase **Your Premium Rates**.

After the three (3) year **Premium Guarantee Period** ends, **Your Policy** may be subject to any increase in **AIA New Zealand’s** underlying **Premium Rates**.

At the end of the selected Level **Premium** period the **Premium** will be recalculated based on the age of the **Life Assured**.

Subsequent Level **Premiums** will be recalculated at each **Policy Anniversary Date** based on the age of the **Life Assured**.

Or

If the **Policy Schedule** shows that you have selected a one (1) Year **Premium Step** option, **Your Total and Permanent Disability 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**.

<b>INFLATION ADJUSTED BENEFIT OPTION</b>	3	<p>If the <b>Policy Schedule</b> shows <b>You</b> have selected the Inflation Adjusted <b>Benefit</b> option, the <b>Total and Permanent Disability Benefit</b> will increase on each anniversary of the <b>Policy Commencement Date</b> by an amount equal to the <b>Consumer Price Index Increase</b> for the year ended 30 September for which figures are available at the date the <b>Sum Assured</b> is to be increased. <b>You</b> may decline any <b>Consumer Price Index Increase</b>.</p> <p>This option expires upon termination of the <b>Policy</b> in accordance with Clause 7 "Termination", Section B above. This option will cease once the maximum total <b>Sum Assured</b> of \$5,000,000 has been reached.</p>
<b>LEVEL BENEFIT OPTION</b>	4	<p>If the <b>Policy Schedule</b> shows that <b>You</b> have selected the Level <b>Benefit</b> option, the <b>Total and Permanent Disability Benefit</b> will remain at the amount specified on the <b>Policy Schedule</b>.</p>
<b>LEVEL INDEXED BENEFIT OPTION</b>	5	<p>If the <b>Policy Schedule</b> shows that <b>You</b> have selected the Level Indexed <b>Benefit</b> option, the <b>Total and Permanent Disability Benefit</b> will increase on each anniversary of the <b>Policy Commencement Date</b> by the percentage amount shown on the <b>Policy Schedule</b>.</p> <p>This option expires upon termination of the <b>Policy</b> in accordance with Clause 7 "Termination", Section B. This option will cease once the maximum total <b>Sum Assured</b> of \$5,000,000 has been reached.</p>
<b>RENEWAL</b>	6	<p>The <b>Total and Permanent Disability Benefit</b> may be renewed up to the anniversary of the <b>Policy Commencement Date</b> following the <b>Life Assured</b> attaining age sixty-five (65) or age seventy (70) depending on the age specified in the <b>Policy Schedule</b>.</p>
<b>BUSINESS INCREASE OPTION</b>	7	<p>The <b>Policy Owner(s)</b> may apply for an increase in the <b>Sum Assured</b> without further evidence of health subject to the following conditions:</p> <p><b>A</b> <b>We</b> must receive a written request signed by all <b>Policy Owner(s)</b> within ninety (90) days of the applicable business event occurring.</p> <p><b>B</b> <b>You</b> must satisfy <b>Us</b> that the value of the <b>Life Assured's</b> financial interest is at least equal to the requested increase to the amount of cover. <b>You</b> must provide:</p> <ul style="list-style-type: none"> <li>• A valuation of the business or valuation of the <b>Life Assured</b> to the business (as provided by an independent qualified accountant or business valuer); and/or</li> <li>• Evidence of the loan guarantee, and any other contractual or financial evidence <b>We</b> may request.</li> </ul> <p>Any increase request's calculation method must be consistent with that adopted in the <b>Policy</b> application.</p> <p><b>C</b> If <b>You</b> do not increase <b>Your</b> insurance by the full amount identified in a review of insurance requirements, <b>You</b> may not defer the potential increase to a later review.</p> <p><b>D</b> The option to increase the <b>Sum Assured</b> must be exercised before the option expiry date (see Clause 8 "<b>Expiry of Business Increase Option</b>" below).</p>



		<p><b>E</b> The maximum increase in the <b>Sum Assured</b> for Total and Permanent Disability will be the lesser of five (5) times the <b>Sum Assured</b> at the <b>Policy Commencement Date</b> shown in the <b>Policy Schedule</b>, or the stated maximum increase as indicated on the <b>Policy Schedule</b> with a maximum total <b>Sum Assured</b> of \$5,000,000.</p> <p><b>F</b> Any increase is subject to approval by <b>Us</b>.</p> <p><b>G</b> Any increase in the <b>Sum Assured</b> will require an additional <b>Premium</b>, the amount of which will be dependent on the current <b>Premium Rates</b> for the type of cover at the date the increase in <b>Sum Assured</b> is effected.</p> <p><b>H</b> Only one (1) increase can be made each year.</p>
<b>EXPIRY OF BUSINESS INCREASE OPTION</b>	<b>8</b>	<p>The <b>Business Increase Option</b> will expire on the earliest of the following:</p> <ul style="list-style-type: none"> <li>• The date <b>We</b> receive <b>Your</b> written request to cancel the <b>Benefit</b>.</li> <li>• The maximum increase limit for the <b>Sum Assured</b> has been reached for the applicable <b>Benefit</b>.</li> <li>• If <b>You</b> are entitled to make a claim or <b>We</b> have paid a claim under this <b>Total and Permanent Disability Benefit</b>.</li> <li>• The anniversary of the <b>Policy Commencement Date</b> ten (10) years after the later of: <ul style="list-style-type: none"> <li>○ The commencement date of the <b>Business Increase Option</b>.</li> <li>○ The last increase using the <b>Business Increase Option We</b> approved.</li> </ul> </li> <li>• Non-payment of the <b>Total Premium</b> as set out in <b>Period Of Assurance</b> Section B, Clause 6, above.</li> <li>• The <b>Policy Anniversary</b> following the <b>Life Assured</b> attaining age sixty five (65).</li> <li>• The <b>Life Assured's</b> death.</li> </ul>
<b>FINANCIAL PLANNING AND LEGAL BENEFIT</b>	<b>9</b>	<p>Upon payment of a full <b>Total and Permanent Disability Benefit</b>, <b>We</b> will pay an additional lump sum of \$1,000 to the <b>Policy Owner</b> for the purposes of seeking financial planning and/or legal advice. Only one (1) Financial Planning and Legal <b>Benefit</b> payment per <b>Life Assured</b> will be made regardless of the number of additional <b>Policies</b> held with <b>Us</b>.</p>
<b>PAYMENT OF ACCELERATED BENEFIT</b>	<b>10</b>	<p>If the <b>Policy Schedule</b> shows that <b>You</b> have selected an <b>Accelerated Benefit Your Life Cover Benefit</b> will be reduced by the amount of the <b>Accelerated Benefit</b> paid. Any other <b>Accelerated Benefit</b> on <b>Your Policy Schedule</b> will be reduced to the new Life Cover <b>Benefit</b>. If as a result of the payment of the <b>Accelerated Benefit</b> the Life Cover <b>Benefit</b> is reduced to nil the Life Cover <b>Benefit</b> and any remaining <b>Accelerated Benefits</b> on <b>Your Policy Schedule</b> will be terminated.</p>
<b>BUYBACK LIFE COVER OPTION</b>	<b>11</b>	<p>If the <b>Policy Schedule</b> shows that <b>You</b> have selected the Buyback Life Cover option, on the anniversary of the payment of a <b>Total and Permanent Disability</b> claim, <b>You</b> may effect Life Cover with <b>Us</b> under a <b>Policy</b> or <b>Policies</b>, without needing to provide evidence of health of the <b>Life Assured</b>, for a sum not exceeding the claim amount paid under the <b>Total and Permanent Disability Benefit</b>. The Life Cover will be based on the age of the <b>Life Assured</b> and <b>Our Premium Rates</b> at the time, and will be subject to any loadings or restrictions (if any) which apply to this <b>Policy</b>.</p>

The Life Cover will not be eligible for the Inflation Adjusted **Benefit** option, Business Increase option or the Level Indexed **Benefit** Option.

The option must be exercised within sixty (60) days of the anniversary of the payment of the **Total and Permanent Disability** claim, failing which, the option to effect such covers on that anniversary shall lapse.

In order to exercise this option, the **Policy Owner(s)** must make the request in writing to **Us**.

**PARTIAL  
DISABILITY  
BENEFIT**

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**We** will pay a **Partial Disability Benefit** if the **Life Assured** is **Partially Disabled** (as defined in Clause 3 under Section D below).

The amount payable will be the lesser of 25% of the **Sum Assured** or \$100,000. When a payment is made under this **Partial Disability Benefit** the **Sum Assured** will be reduced by an equal amount.

**ASSISTANCE  
BENEFIT**

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Upon receiving written notification acceptable to **Us** an additional **Assistance Benefit** of \$7,500 may be payable to cover costs of purchasing specialist equipment or completing home alterations which are necessary as a result of a **Total and Permanent Disability Benefit** being payable. **AIA New Zealand** shall be entitled to arrange for an appropriately qualified health professional to assess any recommendation for specialist equipment or home alteration.

**GUARANTEED  
PASS BACK OF  
BENEFIT  
ENHANCEMENTS**

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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 not be 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.

**WAIVER OF  
THREE (3) MONTH  
ABSENCE FROM  
EMPLOYMENT**

15

**We** will, at **Our** discretion, waive the requirement for the **Life Assured** to be absent from his or her pre-disability employment for three (3) consecutive months when assessing a **Total and Permanent Disability Benefit** claim if:

- A The **Life Assured** in **Our** sole opinion has met all other requirements for payment of a **Total and Permanent Disability Benefit**; and
  - B **We** expect the **Life Assured** to survive beyond three (3) months after the **Life Assured** ceased work as a result of the disease, illness or injury.
- In exercising this discretion, **We** will consider if the disease, illness, or injury of the **Life Assured** enables an assessment to be made immediately in respect of whether the **Life Assured** has met all other requirements for the payment of the **Total and Permanent Disability Benefit**.

<b>CONVERSION OPTION</b>	<b>16</b>	<p><b>You</b> may at any time prior to the <b>Life Assured</b> reaching age sixty (60):</p> <p><b>A</b> Convert all or part of the <b>Total and Permanent Disability Cover Benefit</b> from the <b>Premium</b> specified in <b>Your Policy Schedule</b> to a Level <b>Premium</b> structure. The <b>Total and Permanent Disability Cover Benefit</b> under this <b>Policy</b> will be reduced by the amount of insurance so converted; or</p> <p><b>B</b> Convert a Level <b>Premium</b> Term to a further Level <b>Premium</b> Term, of which duration may be the same or less than current Level <b>Premium</b> term.</p> <p><b>We</b> will not require <b>You</b> or the <b>Life Assured</b> to produce further medical evidence at the time of conversion. The terms and conditions of the new <b>Policy</b> will be those which are then offered by <b>Us</b> to the general public. <b>Premiums</b> will be calculated on the current age of the <b>Life Assured</b>. Any loading(s) and/or exclusion(s) that applied to <b>Your</b> existing <b>Total and Permanent Disability Benefit</b> will apply to <b>Your</b> new <b>Total and Permanent Disability Benefit</b>.</p>
<b>COUNSELLING BENEFIT</b>	<b>17</b>	<p>The Counselling Benefit covers the cost of a Psychiatrist or Psychologist consultation and/or counselling for the <b>Life Assured</b> and/or a <b>Close Relative</b> of the <b>Life Assured</b> where the support treatments and/or consultations direction relate to a claim under the <b>Total and Permanent Disability Benefit</b>. After referral by a <b>Medical Practitioner</b> we will reimburse up to \$2,500 including GST (in total) per <b>Life Assured</b>, subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• The consultation and/or counselling must be paid for within three months following <b>Us</b> paying the <b>Total and Permanent Disability Benefit</b> claim; and</li> <li>• <b>We</b> must be provided with a receipt for the consultation and/or counselling <b>You</b> are claiming.</li> </ul> <p>Only one (1) Counselling <b>Benefit</b> payment per <b>Life Assured</b> will be made regardless of the number of additional <b>Policies</b> held with <b>Us</b>. This is in addition to the <b>Sum Assured</b>.</p>
<b>EXCLUSIONS</b>	<b>18</b>	<p>The <b>Total and Permanent Disability Benefit</b> will not be paid if the <b>Total and Permanent Disability</b> directly or indirectly was caused by or resulted from self-inflicted injury, whether the <b>Life Assured</b> is sane or insane.</p>

## SECTION D - TOTAL AND PERMANENT DISABILITY BENEFIT DEFINITIONS

### TOTAL AND PERMANENT DISABILITY UP TO AND INCLUDING AGE 65 FOR SUMS ASSURED UP TO \$5,000,000 MEANS

1 A If the **Policy Schedule** shows **You** have selected the “any occupation” option the definition is:

The **Life Assured** being absent from any employment as a result of injury or illness for a period of three (3) consecutive months and is so disabled that in **Our** opinion, after consideration of medical evidence satisfactory to **Us**, he or she is unlikely ever to engage in work for reward in any occupation that he or she is reasonably qualified by education, training or experience which would remunerate at a rate greater than 25% of his or her earnings over the last twelve (12) consecutive months period of employment.

Or

B If the **Policy Schedule** shows **You** have selected the “own occupation” option the definition is:

The **Life Assured** being absent from his or her own employment as a result of injury or illness for a period of three (3) consecutive months and is so disabled that in **Our** opinion, after consideration of medical evidence satisfactory to **Us**, is unlikely to ever resume work in or ever attend to his or her **Usual Occupation**.

Or

C The **Life Assured** being totally and irreversibly unable to perform at least two (2) of the five (5) **Activities of Daily Living** (as defined below) as a result of a disease, illness or injury, without the standby assistance of another person.

#### **Activities Of Daily Living**

1. **BATHING** - The inability to wash oneself either in the bath or shower or by a sponge bath. The **Life Assured** will be considered to be able to bathe even if the above tasks can only be performed by using equipment or adaptive devices.
2. **DRESSING** - The inability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them. The **Life Assured** will be considered able to dress even if the above tasks can only be performed by using modified clothing or adaptive devices such as tape fasteners or zipper pulls.
3. **TOILETING** -The inability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing. The **Life Assured** will be considered able to toilet even if it involves the use and ability to empty a colostomy bag, and/or catheter, or an alternative means of bowel or urine elimination device, or use a commode, bedpan or urinal, and able to empty and clean it without the standby assistance of another person.
4. **MOBILITY** - The inability to move from place to place. The **Life Assured** will be considered able to move even if it requires the use of equipment including but not limited to canes, quad canes, walkers, crutches, wheelchairs, including mechanical or motorised devices.
5. **EATING** - The inability to get nourishment into the body by any means once it has been prepared and made available.

Or

**TOTAL AND  
PERMANENT  
DISABILITY AGES  
66 – 70 FOR SUMS  
ASSURED UP TO  
\$5,000,000**

2

**D COGNITIVE IMPAIRMENT**

The permanent loss of cognitive function due to a permanent, irreversible injury or illness of the brain including at least two (2) or more of the following permanent impairments:

1. disorientation in time and place
2. **Mini-mental** score of less than twenty (20) out of thirty (30) or equivalent test
3. requires assistance with two (2) or more **Activities of Daily Living** defined above.

Or

**E** The entire and irrecoverable loss of the sight of both eyes.

Or

**F** The complete, total and irrecoverable functional loss, as supported by medical evidence, of:

- Both hands; or
- Both feet; or
- One hand and one foot.

If the **Policy Schedule** shows **You** have selected the to age seventy (70) option, the following definition will apply between the ages of sixty six (66) and seventy (70) irrespective of the occupation definition that is shown in the **Policy Schedule**.

**A** The **Life Assured** being totally and irreversibly unable to perform at least two (2) of the five (5) **Activities of Daily Living** (as defined below) as a result of a disease, illness or injury, without the standby assistance of another person.

**Activities Of Daily Living**

1. **BATHING** - The inability to wash oneself either in the bath or shower or by a sponge bath. The **Life Assured** will be considered to be able to bathe even if the above tasks can only be performed by using equipment or adaptive devices.
2. **DRESSING** - The inability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them. The **Life Assured** will be considered able to dress even if the above tasks can only be performed by using modified clothing or adaptive devices such as tape fasteners or zipper pulls.
3. **TOILETING** - The inability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing. The **Life Assured** will be considered able to toilet even if it involves the use and ability to empty a colostomy bag, and/or catheter, or an alternative means of bowel or urine elimination device, or use a commode, bedpan or urinal, and able to empty and clean it without the standby assistance of another person.
4. **MOBILITY** - The inability to move from place to place. The **Life Assured** will be considered able to move even if it requires the use of equipment including but not limited to canes, quad canes, walkers, crutches, wheelchairs, including mechanical or motorised devices.
5. **EATING** - The inability to get nourishment into the body by any means once it has been prepared and made available.

Or

**B COGNITIVE IMPAIRMENT**

The permanent loss of cognitive function due to a permanent, irreversible injury or illness of the brain including at least two (2) or more of the following permanent impairments:

- disorientation in time and place
- **Mini-mental** score of less than twenty (20) out of thirty (30) or equivalent test
- requires assistance with two (2) or more **Activities of Daily Living** defined above;

Or

**C** The entire and irrecoverable loss of the sight of both eyes;

Or

**D** The complete, total and irrecoverable functional loss, as supported by medical evidence, of:

- both hands; or
- both feet; or
- one hand and one foot.

**PARTIAL  
DISABILITY**

**3**

Means the **Life Assured** has suffered:

- A** The entire and irrecoverable loss of the sight in one (1) eye; or
- B** The complete and permanent loss of use of one (1) limb (limb being whole hand or whole foot).

The **Partial Disability** must be supported by an appropriate **Diagnosis** from a **Medical Practitioner** and evidence acceptable to **Us**.

**EMPLOYMENT  
AND/OR USUAL  
OCCUPATION**

**4**

The occupation, business or **Employment** which the **Life Assured** was engaged in immediately before the Injury or Illness, and from which he or she was remunerated.

**MINI-MENTAL**

**5**

The **Mini-mental** (MMSE) is a brief, quantitative measure of cognitive status in adults. It can be used to screen for cognitive impairment, to estimate the severity of cognitive impairment at a given point in time, to follow the course of cognitive changes in an individual over time, and to document an individual's response to treatment.

*(INSIGHT 35.0.0) – May 2019  
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