

Personal Cover - Mortgage Income and Rent 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)**.

Adoption

Means **Adoption** as defined in the Adoption Act 1955.

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).

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.

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**.

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

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 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**.

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 - MORTGAGE INCOME AND RENT 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** 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. Avoid **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	<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 Income Protection 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>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.</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>

**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**. In the case of the **Involuntary Redundancy** the **Life Assured** must supply proof acceptable to **Us** that the **Life Assured** has been made redundant.
- B** If the **Life Assured** does not provide written proof satisfactory to **Us** within that time, the **Waiting Period** 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 shall be borne by the **Life Assured**.
- 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** **We** will require the **Life Assured** to provide confirmation of hours worked per week prior to and at the time a claim is being paid. Such proof will be in a form acceptable to **Us**. In the case of the **Involuntary Redundancy Benefit** the **Life Assured** must also supply proof acceptable to **Us** that the **Life Assured** remains unemployed and are registered with Work and Income New Zealand, or any subsequent Government employment bureau.
- F** 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.
- G** Responsibilities during claims assessment and while in receipt of Mortgage Income and Rent **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. 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 the **Life Assured's** 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 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 .
TERMINATION	9		Unless previously terminated, this Policy shall terminate on the earliest of: 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. B Written notification of cancellation from You to Us at any time. C The Death of the Life Assured . D Non-payment of Total Premium as set out in Clause 6 "Period of Assurance" above.
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		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	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.
PAYMENT OF BENEFITS	13	A	Where any of the insured events occur, the Benefit payable will be the Benefit specified in the Policy Schedule .
GENERAL	14	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	15		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 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

SAMPLE

SECTION C - MORTGAGE INCOME AND RENT BENEFITS

TOTAL DISABILITY BENEFIT	1	<p>If, the Life Assured:</p> <ul style="list-style-type: none">• has been Totally Disabled or Partially Disabled for the Waiting Period; and• is Totally Disabled at the end of the Waiting Period; <p>We will pay you the monthly Benefit subject to Clause 13 “Offsets” under Section D of this Policy in advance from the end of the Waiting Period until the earliest of:</p> <ul style="list-style-type: none">• the Life Assured is no longer Totally Disabled, or• the Benefit Period ends, or• the Policy ends. <p>Any payment for a period of less than one month is calculated on a pro-rata basis.</p>
RECURRENT DISABILITY BENEFIT	2	<p>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 Disability period for the purposes of applying the Benefit Period.</p>
PARTIAL DISABILITY BENEFIT	3	<p>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.</p> <p>The amount payable under the Partial Disability Benefit will be a percentage of the monthly Sum Assured as shown in the Policy Schedule. The percentage is the difference between the hours per week that the Life Assured is able to work while Partially Disabled and the average number of hours that the Life Assured worked in the three (3) months immediately prior to becoming Totally Disabled; calculated as a percentage of the average number of hours that the Life Assured worked in the three (3) months prior to becoming Totally Disabled.</p> <p>Calculation: % = (hours worked on average in the three (3) months prior to Total Disability - hours worked while Partially Disabled) / hours worked on average in the three (3) months prior to Total Disability.</p> <p>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.</p> <p>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.</p>
WAIVER OF PREMIUM	4	<p>During a period of Total, Partial or Recurrent Disability for which We have accepted a claim, all Total Premiums due will be waived by Us.</p>

INFLATION ADJUSTABLE OPTION	5	<p>If the Policy Schedule shows You have selected this option, the Mortgage, Income and Rent 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 monthly Benefit is to be increased. You may decline any Consumer Price Index Increase.</p> <p>This option expires upon termination of the Policy in accordance with Clause 9 “Termination” under Section B above. This option will cease once the maximum total annual Sum Assured of \$300,000 has been reached.</p> <p>If the Policy Schedule shows You have selected this option, the Consumer Price Index Increase will cease during any period of Claim, unless you have selected the Optional Inflation Adjustable Claim Benefit. The Inflation Adjustable Option will re-commence from the date your claim is finalised, and You will have the option to continue with this or decline the Consumer Price Index Increase.</p>
OPTIONAL INFLATION ADJUSTABLE CLAIM BENEFIT	6	<p>If the Policy Schedule shows You have selected this option and You are receiving a Benefit under this Policy at the anniversary or a subsequent anniversary of the Policy Commencement Date, We will increase the monthly Benefit payable by the most recent Consumer Price Index Increase. When You are no longer disabled, You can choose to keep the higher levels of Benefit and the Premium will increase accordingly.</p> <p>This Benefit does not apply if you have selected the Level Benefit Option as per Clause 14 “Level Benefit Option” under section C below.</p> <p>This Benefit expires upon termination of the Policy in accordance with Clause 9 “Termination” under Section B above.</p>
MENTAL HEALTH DISORDER LIMITATION OPTION	7	<p>If the Policy Schedule shows that You have selected the Mental Health Disorder Limitation option, then if during the term of this Benefit, the Life Assured is Totally Disabled as a direct or indirect result of a Mental Health Disorder as defined under Clause 13 “Mental Health Disorder” under Section D below, the total Benefit Period for all claims arising out of this disability will be twelve (12) months from the end of the Waiting Period irrespective of the Benefit Period shown in the Policy Schedule.</p>
IF UNEMPLOYED	8	<p>If the Life Assured becomes Totally Disabled while being unemployed for more than twelve (12) months, the definition of Total Disability will be based on the definition for Class 5 occupations irrespective of the Occupational Class specified in the Policy Schedule.</p> <p>If the Life Assured becomes Totally Disabled within twelve (12) months of becoming unemployed, then the Benefit payable will be assessed as normal without the restrictions.</p>
LEAVE WITHOUT PAY AND SUSPENSION OF COVER	9	<p>You can apply to suspend cover for a Life Assured for a period of up to twelve (12) months if they:</p> <ul style="list-style-type: none"> • Take a period of Leave Without Pay from all regularly remunerated occupations; • Take employer approved parental leave;

- Become redundant, or unemployed;
- 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, have a reduction in revenue of at least 30% (by comparing one month's revenue against the same month for the previous year),

provided the request is made in writing by **You to Us** and has been accepted by **Us**.

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.

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.

**OPTIONAL
INVOLUNTARY
REDUNDANCY
BENEFIT**

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If the **Policy Schedule** shows that **You** have selected the Involuntary Redundancy **Benefit** option, during the term of this **Benefit We** will pay a **Benefit** for each full month following the Involuntary Redundancy (as defined in Clause 14 "Optional Involuntary Redundancy **Benefit**" under Section D below) of the **Life Assured** up to a maximum period of six (6) months, or until the **Life Assured** has commenced alternative employment whichever is the earlier. This **Benefit** is a monthly **Benefit** paid in arrears and will commence after the first 30 days of any period of total unemployment. **Benefit** payments will be made upon receipt of proof acceptable to **Us** that the **Life Assured** remains unemployed and is registered with Work and Income New Zealand, or any subsequent Government Employment Agency and is actively seeking employment. The maximum monthly payment is the monthly **Benefit** specified in the **Policy Schedule** or \$2,500 whichever is the lesser (Per **Life Assured**). If **You** have more than one (1) **OPTIONAL INVOLUNTARY REDUNDANCY BENEFIT** this will be subject to the maximum monthly payment of the monthly **Benefit** specified in the **Policy Schedule** or \$2,500 (Per **Life Assured**) whichever is the lesser.

The **Life Assured** must return to work for a period of at least twelve (12) consecutive months prior to making another claim on the **Optional Involuntary Redundancy Benefit**. The **Optional Involuntary Redundancy Benefit** is payable for a total maximum of twelve (12) months per **Policy**.

**SPECIAL EVENTS
INCREASE**

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You may at any time prior to the **Life Assured** reaching age fifty five (55) increase the **Sum Assured** for the Mortgage Income and Rent **Benefit** under this **Policy** on the occurrence of any of the **Special Events** (A-D) listed below without further evidence of health. Requests for increases must be made within six (6) months of a **Special Event**. **You** can make more than one **Special Events** increase during each **Policy Year**. **You** may increase the **Sum Assured** more than once in respect of each **Special Event**.

A **Special Events** increase is NOT available if the **Life Assured** has been the subject of a claim (whether accepted or not) or entitled to claim under this **Policy**. For the sake of clarity this includes any claim currently under assessment. The increase in respect of each **Special Event** cannot exceed

\$1,500 per month or the amount of any additional or increased mortgage repayments, whichever is the lesser.

The sum of the total maximum increase under this **Special Events Increase** cannot exceed 75% of the original **Sum Assured**.

The **Premium** for the increased cover will be based on the age of the **Life Assured** and **Our Premium Rates** at the time the option is exercised.

- A** Increasing an existing residential mortgage.
- B** Purchasing a new home.
- C** Purchasing a vacation home.
- D** Purchasing a bare block of land zoned as residential.
In order to increase the Mortgage Income and Rent **Benefit** under this **Special Events Increase** a written application must be received by **Us** within six (6) months of the event occurring. The written application must be accompanied by evidence of the applicable event.

PREMIUM	12	The annual Total Premium or instalment of the Total Premium is payable for the entire duration of the Benefit . The Premium specified in the Policy Schedule will be recalculated at the expiration of the 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 .
RENEWAL	13	The Mortgage Income and Rent 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 .
LEVEL BENEFIT OPTION	14	If the Policy Schedule shows that You have selected this option, the Mortgage Income and Rent Benefit will remain at the amount specified in the Policy Schedule .
EXCLUSIONS	15	<p>No Benefits shall be paid under this Policy if the injury or sickness resulting in Total Disability or Partial Disability directly or indirectly was caused by or resulted from:</p> <ul style="list-style-type: none">A Intentionally self-inflicted injury whether the Life Assured is sane or insane or participation in any criminal act.B Pregnancy, childbirth, abortion or miscarriage unless the Total Disability lasts for more than ninety (90) days after the end of pregnancy, at which time the Waiting Period will commence.C In the case of a Policy with a Benefit Period of two (2) years, any injury, sickness, or related condition in respect of which twenty-four (24) months of Mortgage Income and Rent Benefits have already been paid.D In the case of a Policy with a Benefit Period of five (5) years, any injury, sickness, or related condition in respect of which sixty (60) months Mortgage Income and Rent Benefits have already been paid.E In the case of a Policy where the Mental Health Disorder Limitation option has been selected, any Mental Health Disorder or related Mental Health Disorders in respect of which twelve (12) months Mortgage Income and Rent Benefits have already been paid in total.F In the case of a Policy where the Optional Involuntary Redundancy Benefit has been selected, no Involuntary Redundancy Benefit will be paid where;

1. The **Life Assured** is made redundant within thirty (30) days following the **Policy Commencement Date**; or
2. The redundancy or possible redundancy was known to the **Life Assured** prior to the **Policy Commencement Date**; or
3. The **Life Assured** was on a fixed term contract of employment or an interim contract; or
4. The **Life Assured** is made redundant as a direct or indirect result of a strike or labour dispute; or
5. The **Life Assured** was self-employed, in part-time, seasonal or casual employment; or
6. The **Life Assured** is employed by and made involuntarily redundant by a close or lineal relation.

**CHILD CARE
SUPPORT BENEFIT**

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We will pay a Childcare Support **Benefit** in the following circumstances:

- The **Life Assured** is **Totally Disabled** or **Partially Disabled** and is receiving a monthly **Benefit**; and
- As a direct result of the **Life Assured's Total Disability** or **Partial Disability**, additional childcare costs are incurred over and above any childcare arrangements which existed prior to the **Life Assured** becoming **Totally Disabled** or **Partially Disabled**, in respect of any dependent child who is under the age of fourteen (14); and
- These additional childcare services are not being provided by **You** or an immediate family member.

The amount **We** will reimburse under the Childcare Support **Benefit** is the lesser of:

- A. The actual additional childcare costs; or
- B. \$800 per month per dependent child under the age of fourteen (14).

This Childcare Support **Benefit** is payable until the earlier of:

- A. The **Life Assured** no longer being **Totally Disabled** or **Partially Disabled**; or
- B. Six (6) monthly Childcare Assistance Benefit payments have been made; or
- C. The **Benefit Period** ends.

You will need to provide evidence satisfactory to **Us** each month of the additional childcare fees that have been paid before **We** will make a payment under the Childcare Support **Benefit**.

This payment is additional to the monthly **Benefit**.

**WAITING PERIOD
REDUCTION**

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If this Mortgage Income and Rent **Benefit** has a **Waiting Period** of 26, 52 or 104 weeks the **Life Assured** can reduce this **Waiting Period**, without providing any further medical evidence, if the **Life Assured's** Business Continuation Cover, Farmers Revenue Protection Cover or New to Business Cover is cancelled due to the **Life Assured** no longer being **Actively Involved** in the business or their business is sold and is no longer **Actively Trading**.

The **Waiting Period** for this Mortgage Income and Rent **Benefit** will reduce to align with the **Waiting Period** on the cancelled cover. The reduced **Waiting Period** on this Mortgage Income and Rent

Benefit will apply to the lesser of:

- the monthly benefit for the Business Continuation Cover, Farmers Revenue Protection Cover or New to Business Cover at the time it was cancelled; or
- the monthly **Benefit** for this Mortgage Income and Rent **Benefit**.

For example:

A **Life Assured** has the following:

- Mortgage Income and Rent **Benefit** with a \$2,500 per month **Benefit** and a 52 week **Waiting Period**; and
- New to Business Cover with a \$1,000 per month **Benefit** with a 13 week **Waiting Period**.

When New to Business Cover is cancelled the Mortgage Income and Rent **Benefit Waiting Period** would be reduced to a:

- 13 week **Waiting Period** with a \$1,000 per month benefit; and
- 52 week **Waiting Period** with a \$1,500 per month benefit.

The following conditions apply:

- within sixty (60) days of the cancellation of cover the **Life Assured** must notify **Us** in writing, with supporting evidence that they are no longer **Actively Involved** in the business or their business has been sold or is no longer **Actively Trading**;
- the **Life Assured** is no longer **Actively Involved** in the business due to reasons other than retirement, redundancy, ill health or incapacity;
- the **Life Assured** must be under the age of sixty (60);
- if the **Life Assured** has had a claim paid or is entitled to be paid a claim under any policy with **Us** or any other insurance company, the request will be referred to an AIA underwriter;
- the premiums must be up to date and are not being waived for any reason.

If **We** agree to reduce the **Waiting Period**, the following applies:

- premiums will increase with any reduction **Waiting Period**;
- only one reduction in **Waiting Period** under this **Benefit** is allowed without evidence of health;
- any loadings, exclusions or special terms on the cancelled policy will be applied to the reduced **Waiting Period Benefit**.

CONCURRENT WAITING PERIOD

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If the **Life Assured** is **Totally Disabled** or **Partially Disabled** and able to receive a monthly Mortgage Income and Rent **Benefit** under this policy, and they also hold a Business Continuation Cover, Farmers Revenue Protection Cover or New to Business Cover, then the **Waiting Periods** applicable to the **Life Assured** under each policy will be served concurrently from the disablement date.

If during the **Waiting Period** under this policy, the **Life Assured** should suffer a recurring disability under their Business Continuation Cover, Farmers Revenue Protection Cover or New to Business Cover policy, after returning to full-time work, the portion of their **Waiting Period** for their Mortgage Income and Rent **Benefit** under this policy will be considered to have been continuous and only the remaining period will apply.

**PARTIAL
DISABILITY
BRIDGING BENEFIT**

- 19 **We will pay You a Partial Disability Bridging Benefit if:**
- **You** have been receiving a **Total Disability Benefit** under this **Policy**; and
 - the **Life Assured** is no longer **Totally Disabled**; and
 - based on the information provided to, and requested by **Us**, **We** reasonably expect that a **Partial Disability Benefit** (as set out in Section C) will be payable for that **Life Assured** for the first month after the **Life Assured** ceased to be **Totally Disabled**.

The Partial Disability Bridging **Benefit** is a lump-sum payment equivalent to 1/3rd (33.3%) of the final monthly **Total Disability Benefit** paid before the **Life Assured** ceased to be **Totally Disabled**.

The Partial Disability Bridging **Benefit** is paid at the end of the final month in respect of which a **Total Disability Benefit** was claimed for by the **Life Assured**.

Payment of the Partial Disability Bridging **Benefit** does not affect the amount of the **Partial Disability Benefit** (as set out in Section C) and does not affect the amount of the Enhanced Partial Disability Income **Benefit** (as set out in Section C).

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

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

**ENHANCED
PARTIAL
DISABILITY
INCOME BENEFIT**

- 20 **We will pay You an Enhanced Partial Disability Income Benefit if:**
- the **Life Assured** has been receiving a **Total Disability Benefit** under this **Policy**; and
 - the **Life Assured** is no longer **Totally Disabled**; and
 - the **Life Assured** is entitled to a **Partial Disability Benefit** as set out in Section C for that **Life Assured**.

The Enhanced Partial Disability Income **Benefit** is the lower of:

- 25% of the monthly **Partial Disability Benefit** as calculated in Section C; or
- 1/12th of the **Benefit** amount shown in the schedule less the monthly **Partial Disability Benefit** as calculated in Section C.

This **Benefit** is paid monthly in arrears for a maximum period of twelve (12) months per claim.

We will cease paying this Benefit if the Life Assured is no longer entitled to a Partial Disability Benefit.

SECTION D - MORTGAGE INCOME AND RENT BENEFIT DEFINITIONS

- TOTAL DISABILITY 1** Means a period of serious injury or sickness commencing when the **Life Assured** first received advice from a **Medical Practitioner** for that injury or sickness provided that:
- A** The **Life Assured** is under the regular and personal care of a **Medical Practitioner**; and
 - B** The **Life Assured's** injury or sickness is supported by clinical evidence and approved by **Us**; and
 - C** The **Life Assured** is unable to perform their occupation as the result of that injury or sickness; and
 - D** Inability to perform the **Life Assureds'** occupation is defined by reference to the occupational class specified in the **Policy Schedule** as follows:
 - Occupation Classes 1, 2, 3 & 4:** Inability to follow their own occupation for more than ten (10) hours per week. **We** will arrange assessments with an appropriately qualified health professional if this situation occurs; or
 - The **Life Assured** is unable to perform at least one important income producing duty of their own occupation; and
 - The **Life Assured** is not working in any occupation other than up to ten (10) hours per week in their own occupation.
 - Occupation Class 5:** Confined under medical supervision to home or a medical institution and as a result of the disability unable to undertake three (3) or more of the following activities without assistance:
 - a. washing and bathing
 - b. dressing and undressing
 - c. eating
 - d. general household duties
 - e. climbing stairs
 - f. shopping.
- Totally Disabled** has a corresponding meaning.
- PARTIAL DISABILITY 2** Means a disability resulting from 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** and is subject to the following conditions:
- 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 the disability; and
 - B** The **Life Assured** is under the regular and personal care of a **Medical Practitioner**; and
 - C** The **Life Assured** is not **Totally Disabled**.
 - D** If the **Policy Schedule** states the **Life Assured** is occupation class 5 or if clause eight (8) of part C applies to the preceding period of **Total Disability** then no **Partial Disability Benefit** is payable.
- OCCUPATIONAL RETRAINING BENEFIT 3** If the **Life Assured** is **Totally Disabled** and undertakes a programme of occupational retraining then, subject to written approval from **Us**, an additional lump-sum payment by way of reimbursement be made for the cost of this training up to a maximum of twelve (12) times the monthly **Benefit**.

DEATH BENEFIT	4	If the Life Assured dies during the term of this Policy , We will pay You , three (3) times the monthly Benefit specified in the Policy Schedule up to a maximum of \$30,000.
RETURN TO HOME BENEFIT	5	<p>If the Life Assured is outside of New Zealand and suffers, for the first time, a Total Disability and We have accepted the claim, We will pay the lesser of:</p> <p>A Three (3) times the monthly Benefit specified in the Policy Schedule; or</p> <p>B A single standard economy air fare to New Zealand by the most direct route available plus any transport costs to an AIA New Zealand approved medical facility in New Zealand where necessary.</p> <p>A Return to Home Benefit can only be paid once in any 12 month period.</p> <p>In total the maximum We will pay over the life of the Policy under the Return Home Benefit is \$10,000.</p> <p>No payment will be made if the Life Assured is covered for the same event with a travel insurance provider.</p>
BED CONFINEMENT BENEFIT	6	If the Life Assured is Totally Disabled and confined to bed on direction of a Medical Practitioner and under the full-time care of a Registered Nurse (holding an Annual Practising Certificate issued by the Nursing Council of New Zealand) before the Waiting Period has elapsed and has been so for more than three (3) days, the Benefit payable will be a daily Benefit equivalent to 1/30 of the monthly Total Disability Benefit which will commence and will continue until the Life Assured leaves bed or until the Waiting Period has elapsed, whichever is sooner.
REHABILITATION EQUIPMENT EXPENSE BENEFIT	7	A Rehabilitation Expense Benefit is payable of up to twelve (12) times the monthly Benefit to cover costs of purchasing specialist equipment or completing home alterations which are necessary as a result of disability. This Benefit is payable at AIA New Zealand's sole discretion where it is deemed the Benefit will assist the Life Assured with a return to independence and the workforce. AIA New Zealand shall be entitled to arrange for an appropriately qualified health professional to assess any recommendation for specialist equipment or home alterations. This Benefit will be reduced by any costs recovered from other sources such as other insurers or the ACC.
PREGNANCY PREMIUM WAIVER	8	<p>We will waive the Total Premium under this Mortgage Income and Rent Benefit for up to six (6) months at any stage between the second trimester and six (6) months after the Life Assureds pregnancy finishes if the Life Assured becomes pregnant while this Mortgage Income and Rent Benefit is in force provided:</p> <ul style="list-style-type: none"> • the Life Assured provides Us with a confirmation of pregnancy from an appropriate Medical Practitioner; and • the Life Assured did not become pregnant within nine (9) months of: <ul style="list-style-type: none"> • the Policy Commencement Date; or • the most recent reinstatement of this Mortgage Income and Rent Benefit; and • the Life Assured is on maternity leave from their own occupation. <p>You must notify Us in writing when the Total Premium is to be waived.</p>

This Waiver will cease when a total of six (6) months **Total Premium**, including any **Total Premiums** waived during an earlier pregnancy, have been waived.

**GUARANTEED
PASS BACK OF
BENEFIT
ENHANCEMENTS**

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

**BACK TO WORK
BENEFIT OPTION**

10 If the **Policy Schedule** shows that **You** have selected the Back to Work **Benefit** option, **We** will pay a Back to Work **Benefit** where the **Life Assured** has been **Totally Disabled** for more than twelve (12) continuous months, has received an Occupational Retraining **Benefit** and then immediately returns to full time work. The Back to Work **Benefit** is payable as follows:

- A After three (3) consecutive months of full time work **We** will pay an amount equal to one (1) times the monthly **Benefit**; and
- B After six (6) consecutive months of full time work **We** will pay an amount equal to two (2) times the monthly **Benefit**.

The **Life Assured** will need to provide evidence satisfactory to **Us** that they have been back at full time work for the timeframes specified above.

**FUTURE
INSURABILITY
BENEFIT**

11 **You** may request **Us** to increase the Mortgage Income and Rent **Benefit** without further medical evidence subject to the following:

- A **You** must request the increase within six (6) months of taking out a new mortgage or increasing an existing mortgage or an increase in residential rental payment; and
- B **You** will need to provide evidence satisfactory to **Us** of the new mortgage or increase in the existing mortgage or increase in residential rental payment; and
- C The maximum increase under this **Benefit** is 50% of the initial **Benefit** with any one individual increase being limited to the lesser of 115% of the increase in the mortgage repayment or residential rental payment in excess of the **Benefit** or \$300 per month whichever is the lesser; and
- D The **Premium** increase will be calculated based on the **Life Assureds** age, occupation and **Premium** rate at the time of the increase.

The Future Insurability Benefit is not available if the **Life Assured**:

- a) Has been accepted under the Mortgage, Income and Rent Cover with any **Premium** loadings; or
- b) Is in the process of claiming or eligible to claim or has claimed any benefit under any **Policy** held with **AIA New Zealand**; or
- c) Is fifty five (55) years of age or over.

**SPECIFIC INJURY
BENEFIT OPTION**

12 If the **Policy Schedule** shows that **You** have selected the Specific Injury **Benefit** option, should the **Life Assured** suffer any of the Specific Injuries defined below, then **We** will pay **You**

the **Benefit** as shown below, whether or not the **Life Assured** is working.

The **Benefit** starts to accrue when the Specific Injury is suffered and is paid monthly in advance and will stop when the payment period ends.

If the **Life Assured** suffers more than one Specific Injury only one (1) **Benefit** will be paid being the Specific Injury that provides the greatest **Benefit**.

Whilst the Specific Injury **Benefit** is being paid no other **Benefit** is payable under this **Policy**. If the **Life Assured** is still **Totally** or **Partially Disabled** at the end of the payment period, any further **Benefits** will be assessed at the end of the payment period.

Specified Injuries and Payment Periods

Specified Injury	Payment Period
Fracture of jaw	30 days
Fracture of skull	30 days
Fracture of forearm	30 days
Fracture of collarbone	30 days
Fracture of wrist	45 days
Fracture of upper arm	60 days
Fracture of shoulder	60 days
Fracture elbow	60 days
Fracture of vertebrae	60 days
Fracture of kneecap	60 days
Fracture of ankle	60 days
Fracture of heel	60 days
Fracture of the leg below the knee (tibia or fibula)	60 days
Fracture of the leg above the knee (femur)	90 days
Fracture of the pelvis	90 days
Loss of the thumb and index finger of the same hand	6 months
Loss of a foot or hand	12 months
Loss of sight in an eye	12 months
Loss of a whole leg or arm	18 months
Loss of any combinations of hand, foot or sight	24 months
Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia)	up to 60 months*

Fracture means any fracture resulting from an accident requiring fixation, immobilisation or plaster cast treatment of the affected area within 48 hours of the accident.

*Paralysis up to 60 months or the benefit period specified in the policy schedule under **Specific Injury Benefit Option**, whichever is the lesser.

Loss means the:

- Total and permanent loss of the use of the hand from the wrist or the foot from the ankle joint; or
- Total and permanent loss of the use of the arm from the elbow or leg from the knee joint; or
- Complete severance of the thumb and index finger from the first phalangeal joint; or
- Irrecoverable total loss of an eye or sight in the eye.

The Fracture or Loss must be certified by a **Medical Practitioner**.

OFFSETS	13	<p>No offsets apply where the Benefit is \$5,000 per month or less. Where the monthly Benefit is greater than \$5,000 then the amount of the Benefit in excess of \$5,000 will be offset by income the Life Assured is entitled to receive from any:</p> <ul style="list-style-type: none"> • Government or statutory source (for example ACC payments or any benefit); and/or • An investment property insured under this Policy; and/or • A non AIA New Zealand insurance policy covering the same risk.
MENTAL HEALTH DISORDER	14	<p>Is as defined by Us as a past or present history of symptoms suggestive of, and/or Diagnosis or treatment of, the following non - limiting list of mental health related problems:</p> <ul style="list-style-type: none"> • Anxiety, depression, behavioural disorder, psychoneurosis, psychosis, or somatoform disorders; or • Stress, fatigue, exhaustion, chronic fatigue syndrome; or • Any psychiatric complication of physical disorders; or • Post Traumatic Stress Disorder; or • Drug or alcohol abuse; or • Any other physical disorder related or attributable to stress or any other mental or nervous disorder.
OPTIONAL INVOLUNTARY REDUNDANCY BENEFIT	15	<p>Involuntary Redundancy is defined as: Termination of the Life Assured's permanent contract of employment by the Life Assured's employer due to the fact that:</p> <ul style="list-style-type: none"> • The Life Assured's employer has ceased or intends to cease to carry on the business for the purpose of which the Life Assured was employed or has ceased or intends to cease to carry on that business in the place where the Life Assured was so employed; or • The requirements of that business for the Life Assured to carry out work of a particular kind in the place the Life Assured was so employed have ceased or diminished or are expected to cease or diminish.
BENEFIT PERIOD	16	Means the Benefit Period specified in the Policy Schedule .
WAITING PERIOD	17	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.
ACTIVELY INVOLVED	18	Means working an average of more than 30 hours per week in the six months prior to cancellation of Business Continuation Cover, Farmers Revenue Protection Cover or New to Business Cover.
ACTIVELY TRADING	19	Means undertaking any activity carried on for the production of income from selling goods or performing services.
REHABILITATION AND SUPPORT	20	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**.

*(INSIGHT 35.0.0) – May 2019
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SAMPLE