

LifeCare Policy Addendum

1 September 2017



IMPORTANT UPDATES TO YOUR LIFECARE GENERAL TERMS AND CONDITIONS

At BNZ Life, we are committed to continually enhancing our life insurance products to improve the range of cover we offer our customers. This Addendum includes important enhancements to your existing LifeCare cover that may provide you with more protection under the benefits you have chosen.

Changes at a glance

In summary:

- › We have added three new conditions to the LifeCare Critical Condition Benefit:
 - Benign Brain Tumour,
 - Major Head Trauma and
 - Out of Hospital Cardiac Arrest.
- › We have also updated a range of the LifeCare Critical Conditions to reflect changing medical diagnostic techniques. For some conditions we have extended the range of cover we provide.
- › We have removed the general exclusions relating to War and Human Immunodeficiency Virus (HIV) from some LifeCare benefits.

Full details of all changes are included later in this Addendum.

Who do the changes apply to?

The changes outlined in this document will apply to you if you currently have the Death and Terminal Illness Benefit, Critical Condition Benefit, Permanent Disability Benefit or Temporary Disability Benefit, issued before 1 May 2017.

The changes do not replace your existing cover, they work with it

Your existing LifeCare General Terms and Conditions don't actually change – you can make a claim under either your existing policy or the updated policy terms and conditions in this Addendum. If you make a claim, we'll make sure you get the best outcome by applying the terms that are most beneficial to you.

If you have any additional exclusions noted on your *Policy Document* that relate specifically to the *Insured*, those additional exclusions will still apply to your policy after this upgrade.

Existing medical conditions

You can make a claim under the updated cover in this Addendum if the *Insured* has met the upgraded condition definition for the first time ever after 1 January 2017. For any medical condition that occurred before 1 January 2017 your claim will be assessed based on your original LifeCare General Terms and Conditions.

Critical Condition Benefit

The following are the new and updated Critical Conditions covered:

Advanced Cancer

Advanced Cancer means the presence of one or more malignant tumours positively diagnosed by a *Specialist Medical Practitioner* with histological confirmation and characterised by the uncontrolled growth and spread of malignant cells and the invasion and destruction of normal tissue.

The following types of cancers are covered when they meet the required level of advancement specified (unless excluded as stated below):

- › Prostate cancer of at least TNM classification T2N0M0 or Gleason score of at least 6, or with existence of spread to other organs or lymph nodes.
- › Papillary and follicular carcinoma of thyroid of at least TNM classification T2N0M0 or with existence of spread to other organs or lymph nodes.
- › Melanoma diagnosed as malignant and invasive to at least 1.5 mm Breslow thickness or greater or with histological evidence of ulceration. All other skin cancers are excluded unless there is existence of spread to other organs or lymph nodes.
- › Hodgkin's/Non-Hodgkin's Lymphoma of at least stage two or above.
- › Other cancers not listed above, including Breast cancer, Bowel cancer, Lung cancer, Leukaemia and Cervical cancer when they are diagnosed as having progressed to at least TNM classification T1N0M0 (stage 1) or greater.
- › Cancers requiring surgery to remove an entire diseased organ to arrest the spread of malignancy; or surgery to remove the cancer which is followed up with either radiotherapy or chemotherapy. The treatment must be considered to be the most appropriate and medically necessary treatment by a *Specialist Medical Practitioner*. Preventative surgery to remove an organ prior to the occurrence of cancer where there is family history or proven genetic predisposition to a specific cancer is excluded.

In all cases, the following are excluded from this definition:

- › Any cancer which falls below the criteria set out above.
- › All Carcinoma in Situ and precancerous lesions including CIN 1, CIN 2 and CIN 3.
- › Tumours that are a reoccurrence or metastases of a tumour that first occurred within the 3-month period following the *Commencement Date* or *Date of Reinstatement*.

Benign Brain Tumour

Benign Brain Tumour means a non-cancerous tumour in the brain, cranial nerves or meninges which is histologically described and either:

- › produces neurological damage and functional impairment which a *Specialist Medical Practitioner* considers to be permanent; or
- › requires surgery for its removal.

A tumour in the pituitary gland will only be covered under this definition provided it produces neurological damage and functional impairment which a *Specialist Medical Practitioner* considers to be permanent; or requires a craniotomy for its removal.

Neurological damage and functional impairment includes but is not limited to: memory loss, impaired speech, vision loss and paralysis on one side of the body.

The presence of the underlying tumour must be confirmed by neuro-imaging investigation (for example a CT or MRI scan) and appropriate clinical findings by a *Specialist Medical Practitioner*.

The following conditions are excluded from this definition:

- › Cysts, granulomas and cerebral abscesses; or
- › Malformations in or of the arteries or veins of the brain; or
- › Haematomas.

Kidney Failure

End stage renal failure presenting as chronic irreversible failure of both kidneys to function as a result of which the *Insured* is undergoing regular dialysis.

Loss of Limbs and Sight

Loss of Limbs and Sight means the total and permanent loss of use of:

- › two or more limbs; or
- › the sight in both eyes; or
- › one limb and the sight of one eye.

For the purpose of this definition, a 'limb' means at least an entire hand or an entire foot and loss of sight, either aided or unaided, to the extent of 6/60 or less, or the field of vision is restricted to 20 degrees or less.

Major Head Trauma

Major Head Trauma means an injury to the head which has caused permanent neurological impairment confirmed by a *Specialist Medical Practitioner* at least three months after the injury resulting in either:

- › At least 25% permanent impairment of whole person function as defined by the "American Medical Association's Guides to the Evaluation of Permanent Impairment"; or
- › The total and irreversible inability to perform at least one *Activity of Daily Living* without the assistance of another person.

Major Organ Transplant

Major Organ Transplant means the actual undergoing, or placement on an official waiting list in New Zealand or Australia, of an organ transplant to the *Insured* of one or more of the following organs:

- › Complete heart;
- › One or both lungs;
- › Liver (including live donor liver transplants);
- › Complete pancreas;
- › Complete kidney;
- › Bone marrow.

The transplant must be considered by a *Specialist Medical Practitioner* to be the most appropriate and medically necessary treatment due to the condition being untreatable by any means other than by an organ transplant.

Open Heart Surgery

Open Heart Surgery means the actual undergoing of open heart surgery for the treatment of:

- › coronary artery disease; or
- › to repair or replace a heart valve as a result of heart defect or abnormality; or
- › to correct any narrowing, dissection or aneurysm of the abdominal or thoracic aorta.

The procedure must be considered to be medically necessary by a *Specialist Medical Practitioner*.

The following conditions are excluded from this definition:

- › Non-surgical techniques such as angioplasty, catheter based techniques, stenting or laser relief of an obstruction,
- › Any other inter-arterial or keyhole procedure.

Out of Hospital Cardiac Arrest

Out of Hospital Cardiac Arrest means a cardiac arrest which occurs outside of a hospital and is not associated with any medical procedure. The arrest must be due to cardiac asystole or ventricular fibrillation (with or without ventricular tachycardia) and be documented by an electrocardiogram (ECG).

Paralysis

Paralysis means the total and permanent paralysis of two or more limbs with a 'limb' meaning at least an entire hand or an entire foot. Included under this definition are paraplegia, hemiplegia, tetraplegia, quadriplegia and diplegia.

Severe Heart Attack

Severe Heart Attack means an acute myocardial infarction, being the death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area.

The diagnosis must be confirmed by a *Specialist Medical Practitioner* and evidenced by a rise and/or fall of cardiac biomarkers with at least one value above the 99th percentile of the upper reference limit and at least three of the following:

- › signs and symptoms of ischemia consistent with myocardial infarction;
- › ECG changes indicative of new ischemia (new ST-T changes or new left bundle branch block [LBBB]);
- › development of pathological Q waves in the ECG; or
- › imaging evidence of new loss of viable myocardium or new regional wall motion abnormality.

If the diagnosis is unable to be supported by at least three of the above criteria, then the definition will be considered to be met based on evidence showing the *Insured's* left ventricular ejection fraction to be 50% or less (as measured three months after the event).

The following conditions are excluded from this definition:

- › A rise in biological markers as a result of an elective percutaneous procedure for coronary artery disease.
- › Other acute coronary syndromes including but not limited to angina pectoris.
- › A rise and/or fall in cardiac biomarkers in the absence of overt ischaemic disease (e.g. myocarditis, apical ballooning, cardiac contusion, pulmonary embolism, drug toxicity).

Severe Stroke

Severe Stroke means death of brain tissue caused by an acute cerebrovascular event due to inadequate blood supply or haemorrhage within the skull resulting in symptoms causing neurological deficit as defined below, confirmed by neuro-imaging investigation (for example

a computed tomography (CT) or Magnetic Resonance Imaging (MRI) scan) and appropriate clinical findings by a *Specialist Medical Practitioner*. Permanent neurological impairment should be confirmed at least three months after the stroke, and must provide clear evidence of either:

- › At least 25% permanent impairment of whole person function as defined by the “American Medical Association’s Guides to the Evaluation of Permanent Impairment”; or
- › The total and irreversible inability to perform at least one *Activity of Daily Living* without the assistance of another person.

The following conditions are excluded from this definition:

- › transient ischaemic attacks and reversible ischaemic neurological deficit;
- › cerebral injury resulting from trauma or arterial hypoxia;
- › vascular disease affecting solely the eye or optic nerve;
- › migraine and vestibular disorders;
- › incidental neuro-imaging findings without clearly related symptoms.

Provision for Enhanced Medical Procedures

From time to time medical procedures used for diagnosis of a Critical Condition Benefit event are updated or replaced by more advanced medical diagnostic testing procedures. If this circumstance arises upon claim, then BNZ Life may apply an alternative medical test or medical diagnostic testing procedure acceptable to BNZ Life in order to obtain a result similar to the medical diagnostic testing procedure outlined above.

Permanent Disability Benefit

Changes have been made to the following clause to clarify loss of sight:

- › the *Insured* has suffered the total and permanent loss of use of:
 - two limbs; or
 - the sight of both eyes; or
 - one limb and the sight of one eye,

For the purpose of this definition a ‘limb’ means at least an entire hand or an entire foot and loss of sight, either aided or unaided, to the extent of 6/60 or less, or the field of vision is restricted to 20 degrees or less.

Policy Exclusions

The following war exclusion has been removed from the Death and Terminal Illness, Critical Condition, Permanent Disability and Temporary Disability Benefits:

No Death and Terminal Illness Benefit, Critical Condition Benefit, Permanent Disability Benefit and/or Temporary Disability Benefit will be paid if the claim results (directly or indirectly) from:

- › participation in war (whether war is declared or not), warlike operations, insurrection or civil commotion.

The following HIV exclusion has been removed from the Critical Condition Benefit:

No Critical Condition Benefit will be paid if the Critical Condition results (directly or indirectly) from:

- › Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or sexually transmitted diseases.

Definition of terms used in this addendum

Where you see a word or phrase in Italics, it means it has a special meaning. That meaning is described in the Definitions section of the LifeCare General Terms and Conditions for cover started after 1 May 2017. These are available at www.bnz.co.nz/lifecare

LifeCare is underwritten by BNZ Life Insurance Limited (“BNZ Life”). LifeCare is not an obligation of Bank of New Zealand. The obligations of BNZ Life are not guaranteed by Bank of New Zealand or its related companies, including National Australia Bank Limited, and Bank of New Zealand and its related companies will not be liable if BNZ Life declines to pay a claim. Bank of New Zealand arranges LifeCare as an agent for BNZ Life and receives commission on any policies it arranges. Under the Insurance (Prudential Supervision) Act 2010, BNZ Life Insurance Limited is required to operate at least one statutory fund and notify policyholders which statutory fund a policy is referable to. All policies underwritten by BNZ Life Insurance Limited are referable to BNZ Life Insurance Limited Statutory Fund No. 1.

Find out more bnz.co.nz/lifecare **0800 808 648**

Changes to your LifeCare Policy



Addendum to LifeCare General Terms and Conditions

The terms and conditions applying to your LifeCare policy have been amended to make your cover more flexible and to provide greater assistance when you need it.

The changes to the wording of your policy are highlighted in the shaded sections and apply to your policy from 6 April 2009.

Important:

This Addendum, which explains the changes and includes the new policy wording in respect of those sections and clauses that have been amended or added, forms part of your policy contract. It should be read in conjunction with the General Terms and Conditions sent to you when your LifeCare policy was first issued and the most recently dated Policy Schedule.

We recommend that you keep all these documents together in a safe place for future reference.

The full wording of the amended General Terms and Conditions of the LifeCare policy are available:

- on the BNZ web site www.bnz.co.nz
- from BNZ Life by calling 0800 808 648, Monday to Friday, between 8.30am and 5.00pm.

1. Terminal Illness definition extended to 12 months (refer to clause 2.1)

Explanation

Currently your policy pays the death cover sum insured if the Insured is diagnosed with a terminal illness that is likely to result in death within 6 months.

We have now extended the 6 month period to 12 months which means that a terminal illness claim can be paid earlier - giving more time to sort out financial affairs during a difficult period.

Amended policy wording:

The definition of Terminal Illness in clause 2.1 of the policy has been changed to:

Terminal Illness means the Insured has an advanced or rapidly progressing, incurable, disabling terminal illness which, based on the medical evidence and any opinion(s) of consultant medical or surgical specialist(s) received by BNZ Life, BNZ Life is satisfied that the Insured is not expected to live for more than 12 months.

2. NEW - Bereavement Support Benefit

Explanation

This is a new benefit which has been added to your policy.

If the Insured dies BNZ Life will make an upfront payment of up to \$ 5,000. This will be a partial advance against the death cover sum insured and will be deducted when the claim is settled. All we require is a copy of the death certificate and we'll then try to make this payment within 2 business days.

This will help with the immediate expenses, such as funeral costs, without having to wait for the claim to be fully processed.

In the event that the claim is subsequently declined BNZ Life reserves the right to be repaid the amount advanced under the Bereavement Support Benefit.

New policy wording:

New wording has been added to the policy as PART 3 - Bereavement Support Benefit:

3.1 Amount of Benefit

If a Bereavement Support Benefit claim is made, and all claims requirements are met, BNZ Life will make a once only advance payment of \$5,000 or the Death and Terminal Illness Benefit, whichever is the lesser. The final payment of the Death and Terminal Illness Benefit will be reduced by the amount of the Bereavement Support Benefit payment.

3.2 Payment of Benefit

The Bereavement Support Benefit will be paid to the Policy Owner (or to his or her personal representatives or the executors or administrators of the Policy Owner's estate).

If a Bereavement Support Benefit is paid and BNZ Life subsequently declines the claim for a Death and Terminal Illness Benefit, BNZ Life will be entitled to full repayment of the amount paid under the Bereavement Support Benefit.

3.3 Conditions

Confirmation of the death of the Insured must be received by BNZ Life by way of a copy of the death certificate.

3. NEW - Child Death Cover Benefit

Explanation

The death of a child is always a particularly traumatic time for the family and close friends.

To assist with funeral costs, or to help bring the family together, this new benefit has been added to LifeCare and will pay \$2,000 if a child of the Insured dies as a result of an accident.

If a Child Death Cover Benefit is paid, the Insured's cover will continue without any reduction.

The following conditions will apply:

- The child must be aged between 3 and 10 at the time of his/her death;
- The Insured must be a natural parent or legal guardian of the child;
- If more than one LifeCare policy is held, BNZ Life will only pay once in respect of each child but may pay the benefit in respect of more than one child under the same policy.

New policy wording:

New wording has been added to the policy as PART 8 - Child Death Cover Benefit:

8.1 Definition

"Child" means if in the opinion of BNZ Life, the Insured effected the Policy, a natural or legally adopted child of the Insured or a child who is under the guardianship of the Insured, who is aged between 3 and 10.

8.2 Amount of Benefit

Subject to all claims requirements being met, BNZ Life will pay a Child Death Cover Benefit of \$2,000 per Child.

8.3 Payment of Benefit

BNZ Life will pay a Child Death Cover Benefit if a Child suffers an accident and, as a direct result of that accident, dies within 90 days of the accident occurring.

The Policy Owner irrevocably instructs BNZ Life to pay any Child Death Cover Benefit to the Insured.

If the Insured is covered under other BNZ LifeCare policies, only one Child Death Cover Benefit will be paid in respect of each individual Child. Unless otherwise agreed by BNZ Life, the Benefit will be paid under the LifeCare policy with the earliest Commencement Date.

Neither the Death and Terminal Illness Benefit nor the premium for that Benefit will be reduced following payment of a Child Death Cover Benefit under this Policy.

8.4 Exclusions

No Child Death Cover Benefit will be paid if the Child's death occurs as a result of an accident caused or contributed to by an unlawful act by either the Policy Owner or the Insured.

4. Changes to the Critical Condition Benefit (refer to PART 3 if your policy includes this benefit. This section becomes PART 4 in the new Terms and Conditions):

Explanation

Critical Condition is optional cover which you can add to your policy. It's a "living benefit" which pays a lump sum if the Insured suffers from one of the conditions listed under Part 3 of your LifeCare policy, examples being some types of cancer, stroke, heart attack, kidney failure etc.

After a Critical Condition claim is paid, the life cover continues but is reduced by the amount paid under the claim.

Check your Policy Schedule to see if your policy includes Critical Condition cover, in which case the changes below will apply to your policy. If you do not have this cover and would like to know more please call us on 0800 808 648 - we'll be happy to help.

1. "Cancer" definition changed - we haven't changed your cover but have improved the definition of "Cancer" to make it clearer exactly what is covered under this part of the policy.

2. More flexibility in choosing the amount of Critical Condition cover - if you've included Critical Condition in your policy, the cover you have was automatically set at 25% of your death cover sum insured.

We have now increased cover options available to 25%, 50%, 75% or 100% of the death cover. You can apply to increase your Critical Condition cover from its current 25% of the death cover - call us on 0800 808 648 to find out what you have to do and what it will cost.

Reference to the 25% limit in clauses 3.1 and 3.3 of the current wording has been amended to remove the 25% limit and refer instead to the amount of cover shown in the Policy Schedule.

3. Waiver of Premium removed on new cover - your current policy wording includes a provision (in clauses 3.1) that if a Critical Condition claim is paid you won't have to pay premiums for the remaining death cover until the first anniversary date of the policy after the Insured's 65th birthday. This is known as the "waiver of premium" clause.

The waiver of premium clause is being removed for all new LifeCare policies issued on or after 6 April 2009 which means that premiums will be payable on the remaining death cover after a Critical Condition Benefit is paid.

The original waiver of premium will continue to apply to your policy in respect of the original amount of your death cover. However, if you increase your death cover after 6 April 2009, the waiver of premium clause will not apply in respect of the premium attributable to the increase in the amount of your death cover.

Amended policy wording:

Clause 3.1 (1st bullet point) has been changed to remove reference to the waiver of premium:

The Death and Terminal Illness Benefit will be reduced by the amount of the Critical Condition Benefit claim payment.

The definition of "Cancer" in clause 3.2 has been changed* to:

• Cancer - The manifestation of a malignant tumour (a tumour which is not encapsulated and has properties to infiltrate and cause metastases*) characterised by the uncontrolled growth and the spread of malignant cells and the invasion of tissue. The diagnosis must be supported by histological evidence of malignancy.

Types of Cancer covered:

- (i) All invasive malignant cancers other than the cancers listed under "The Types of Cancer excluded" in this section;
- (ii) Leukaemia;
- (iii) Hodgkin's disease (other than stage one);
- (iv) Invasive malignant melanoma of a skin invasion 1.5mm and over.

Types of Cancer excluded:

- (i) Pre malignant lesions;
- (ii) Carcinoma in situ (Cancer that involves only the cells in which it began and has not spread to other tissues);
- (iii) Kaposi's sarcoma;
- (iv) Tumours in the presence of any Human Immunodeficiency Virus (HIV).

*Transmission and establishment of detectable cancer due to the spread of cancerous cells from one original site to one or more sites elsewhere in the body.

**This change will not apply to your policy if it commenced on or before 15 September 2003.*

5. Changes to Permanent Disability Benefit (refer to PART 5 if your policy includes this benefit. This section becomes PART 6 in the new Terms and Conditions):

Explanation

Permanent Disability is optional cover which pays a lump sum if the Insured suffers from an injury or illness which means that he/she won't ever be able to work again.

Previously you could only add Permanent Disability cover to your LifeCare policy if you also had Temporary Disability cover.

We've removed this requirement so that you can now apply for Permanent Disability cover without having to include Temporary Disability cover.

We've made 2 changes to the Permanent Disability section of the policy wording:

1. Loss of limb clause improved - the loss of limb condition now means "loss of the use of" instead of the stricter interpretation of "loss by physical separation" (see clause 5.1)

2. Residency clause expanded - under the exclusions (see clause 5.5) the policy stipulates that the Insured must be living in either New Zealand or Australia for a Permanent Disability claim to be paid.

This has now been expanded to include European Union member states, USA and Canada in addition to New Zealand and Australia.

Check your Policy Schedule to see if Permanent Disability cover is included in your policy and call us on 0800 808 648 if you'd like to know more.

Amended policy wording:

The definition of "Permanent Disability" or Permanently Disabled in clause 5.1 (1st bullet point) has been changed to:

- An Insured suffering the total and permanent loss of use of:
 - (i) two limbs; or
 - (ii) the sight of both eyes; or
 - (iii) both one limb and the sight of one eye, where "limb" means at least an entire hand or an entire foot;

Under Exclusions in clause 5.5 the 1st bullet point has been changed to:

Unless otherwise agreed by the Insurer, if the Insured is residing outside New Zealand, Australia, European Member States, United States of America or Canada.

6. Change in smoker status - improved rules (refer to clause 1.3)

Explanation

Smokers pay a higher premium for their LifeCare cover than non-smokers. However, if you're paying the smoker rates, the policy allows you to apply for your premiums to be reduced to the non-smoker rates once the Insured has stopped smoking for at least 3 consecutive years.

This period has now been reduced to 12 months meaning that if the Insured has given up smoking you can now apply for the lower non-smoker premiums earlier.

Amended policy wording:

Clause 1.3 has been changed to:

If the Insured was a smoker at the Commencement Date and later ceases smoking for a period of at least 12 consecutive months, the Policy Owner may apply in writing to BNZ Life for the premium to be adjusted to that of a non-smoker.

Call BNZ Life if you'd like more information

If there's anything we can help you with please call our Customer Service team on 0800 808 648, Monday to Friday, between 8.30am and 5.00pm. We'll be happy to help.

BNZ Life Insurance Limited:

LifeCare is underwritten by BNZ Life Insurance Limited ("BNZ Life"). LifeCare is not an obligation of Bank of New Zealand ("BNZ"). The obligations of BNZ Life are not guaranteed by its related companies, including National Australia Bank Limited and BNZ, or any other parties. BNZ arranges LifeCare as an agent for BNZ Life and receives commission on any policies it arranges. BNZ Life is a member of the Investments, Savings and Insurance Association of New Zealand Inc. and complies with the Manual of Practice Standards for Life Insurance Companies. A copy of BNZ Life's latest financial statements is available from the company's head office on Level 18, 1 Willis Street (PO Box 1299, Manners Street, Wellington 6140). BNZ Life is entitled to elect, and has elected, not to have a current rating under the Insurance Companies (Ratings and Inspections) Act 1994.