

Policy

The Insurer will insure the Insured for the Benefits in the Schedule in accordance with this Policy.

Part 1 – Terms and Conditions which apply to all parts

1.1 In this Policy, unless the context otherwise requires:

“**Anniversary Date**” means an anniversary of the Commencement Date.

“**Benefit**” means any one of the benefits set out in Part 2 to Part 5 of this Policy.

“**Commencement Date**” means the date specified in the Schedule on which cover provided by this Policy commences.

“**Core Benefit**” means the Death Benefit (where the Policy Owner has selected the Death Benefit) or the Critical Condition Benefit (where the Policy Owner has not selected the Death Benefit).

“**Cover**” means the Benefits that the Insurer agrees to insure, as detailed in this Policy.

“**Critical Condition Benefit**” means the Benefit for the amount shown in the Schedule (or any increased or reduced amount in accordance with this Policy) and provided under Part 4 of this Policy subject to the Insured meeting the definition in clause 4.1.

“**Date of Reinstatement**” means the date on which the Cover provided by this Policy is reinstated under clause 1.6.

“**Death Benefit**” means the Benefit for the amount shown in the Schedule (or any increased or reduced amount in accordance with this Policy) and provided under Part 2 of this Policy.

“**Insured**” means the person to whom the Cover relates.

“**Insurer**” means BNZ Life Insurance Limited.

“**Permanent Disability Benefit**” means the Benefit for the amount shown in the Schedule (or any increased or reduced amount in accordance with this Policy) and provided under Part 5 of this Policy subject to the Insured meeting the definition in clause 5.2.

“**Policy**” means this policy and the Schedule.

“**Policy Owner**” means the owner(s) of this Policy.

“**Terminal Illness Benefit**” means the Benefit for the amount shown in the Schedule (or any increased or reduced amount in accordance with this Policy) and provided under Part 3 of this Policy subject to BNZ Life being satisfied, based on the medical evidence it has received and the opinion(s) of consultant medical or surgical specialist(s), that the Insured has an advanced or rapidly progressing, incurable, disabling terminal illness and is not expected to live for more than 12 months.

1.2 Payment of Premium

The Policy Owner must pay the premium to the Insurer on the due date for payment in the manner specified from time to time by the Insurer.

1.3 Premium

The Insurer will calculate the premium on each Anniversary Date based on the amount of the Benefits, the premium period selected (in the case of Benefits other than the Permanent Disability Benefit, which has a premium term of one year), the Insured’s then age (premiums will generally increase with age), gender and smoking status, any additional premium loading agreed to by both the Policy

Owner and the Insurer and the Insurer’s table of premiums and policy fees currently in force. The initial premium is shown in the Schedule.

1.4 Term

- a. This Policy is for the specified term of the premium period, as selected by the Policy Owner.
- b. Following the expiry of the initial term, this policy will renew automatically for successive terms of one year, and otherwise on the same terms and conditions as are contained in this Policy, on payment by the Policy Owner of the premium calculated as provided in clause 1.3.

1.5 No Surrender Value

This Policy does not have a cash surrender value.

1.6 Lapse upon Non Payment and Reinstatement

- a. The Cover will lapse if the Policy Owner fails to pay a premium within 30 days of the due date for payment. The Cover cannot be reinstated without the subsequent written consent of the Insurer. The Insurer may at its discretion allow reinstatement of the Cover on terms agreed with the Policy Owner.
- b. If a claim occurs within the 30 day period referred to in clause 1.6. a. and the Insurer has not received the premium due, the Insurer, subject to the claim requirements and any statutory requirements having been met, may deduct the unpaid premium from the Benefit.

1.7 Inflation Adjustment

- a. The Insurer may offer to increase the Benefits selected by the Policy Owner on each Anniversary Date. However, an increase will not be offered:
 - i. if the Core Benefit exceeds \$1,000,000; or
 - ii. if the Policy Owner has declined the increase in two successive years.
- b. The Insurer will calculate the amount of any increase using the Consumer Price Index (All Groups) which is published by Statistics New Zealand, or using such index of consumer prices as may replace the present index.
- c. Any offer will be made by letter to the Policy Owner. Unless the offer is declined in writing before the Anniversary Date, the Benefits will be increased in accordance with the offer and the premium will be adjusted to reflect the new amount of the Benefit.
- d. An offer will expire if it is not accepted by payment of the increased premium within 30 days of the Anniversary Date.

1.8 Claims

- a. The Insurer’s claim requirements will be met by lodgement of the following documents at the Insurer’s Registered Office:
 - i. a BNZ Life Insurance Limited claim form completed in a manner satisfactory to the Insurer;
 - ii. this Policy;
 - iii. such medical reports as shall be required by the Insurer to satisfy a claim for a Critical Condition Benefit, a Terminal Illness Benefit or a Permanent Disability Benefit, or satisfactory proof of the death of the Insured to satisfy a claim for the Death Benefit;
 - iv. satisfactory proof of the age of the Insured;
 - v. a discharge of the Benefits under claim;
 - vi. such other satisfactory proof as may be required by the Insurer.

- b. Payment will be made when the Insurer has received the claim requirements in a form satisfactory to the Insurer and the Insurer has accepted the claim.
- c. All Benefits will be paid to the Policy Owner unless otherwise agreed by the Policy Owner and the Insurer.
- d. Where a particular injury or illness may satisfy a claim for more than one Benefit, a claim will only be paid for one Benefit.

1.9 Benefits Covered

The cover under this Policy will be for the benefits selected by the Policy Owner and agreed to by the Insurer.

Death Benefit (if applicable)

- a. If the Insured dies while this Policy is in force, and all the claim requirements are met, the Insurer will pay the Death Benefit less any claims already accepted for a Critical Condition Benefit or Permanent Disability Benefit. Once the claim has been accepted by the Insurer no further claims will be paid under this Policy and the Policy will cease.

Terminal Illness Benefit (if applicable)

- b. If a Terminal Illness claim is made and all the claim requirements are met, the Insurer will pay the Terminal Illness Benefit less any claims already accepted for a Critical Condition Benefit or Permanent Disability Benefit. Once the claim has been accepted by the Insurer no further claims will be paid under this Policy and the Policy will cease.

Critical Condition Benefit (if applicable)

- c. If a Critical Condition claim is made and all the claim requirements are met, the Insurer will pay the Critical Condition Benefit less any claims already accepted for a Permanent Disability Benefit. The Critical Condition Benefit will be paid once only.
- d. If the amount of the Critical Condition Benefit is equal to the amount of the Core Benefit or if the Critical Condition Benefit is the Core Benefit, the cover under this Policy will cease on payment of the Critical Condition Benefit. Otherwise, this Policy will continue in force for:
 - i. the Death and Terminal Illness Benefits.
The Death and Terminal Illness Benefits will be reduced by the amount of the Critical Condition claim payment, and the Policy Owner will pay adjusted premiums for these reduced Benefits; and
 - ii. the Permanent Disability Benefit (if applicable) until the Anniversary Date following the Insured's 60th birthday. The Permanent Disability Benefit will be reduced by the amount of the Critical Condition claim payment, and the Policy Owner will pay adjusted premiums for this reduced Benefit.

Permanent Disability Benefit (if applicable)

- e. If a Permanent Disability claim is made and all the claim requirements are met the Insurer will pay the Permanent Disability Benefit less any claim already accepted for a Critical Condition Benefit. The Permanent Disability Benefit will be paid once only.
- f. If the amount of the Permanent Disability Benefit is equal to the amount of the Core Benefit, the Cover under this Policy will cease on payment of the Permanent Disability Benefit. Otherwise, this Policy will continue in force for the reduced Death, Terminal Illness and/or Critical Condition Benefits. These Benefits will be reduced by the amount of the Permanent Disability claim payment, and the Policy Owner will pay adjusted premiums for these reduced Benefits.

1.10 Circumstances when Benefits are not payable

- a. This Policy will not operate and Benefits will not be payable if:
 - i. the Insurer issued this Policy or reinstated it on the faith of a material statement by the Insured or the Policy Owner that was substantially incorrect and:

- 1. which was made knowing it to be incorrect, or without belief in its correctness, or recklessly, without caring whether it was correct or not; or
- 2. was made within 3 years of the Insurer invoking this exclusion or the death of the Insured, whichever is the earlier; or
- ii. the claim is as a consequence (direct or indirect) of a pre-existing condition, being an illness or injury:
 - 1. which the Policy Owner or Insured was aware of at the date of application or the date of the application for reinstatement from lapse, and which was not disclosed in any such application; or
 - 2. in respect of which symptoms existed prior to the Commencement Date or the Date of Reinstatement that would cause a reasonable person to seek diagnosis, care or treatment and which was not disclosed as referred to in 1.10. a. ii. 1.; or
 - 3. in respect of which a medical practitioner recommended treatment or further advice and was not disclosed as referred to in 1.10. a. ii. 1.; or
- iii. anything materially relevant to the Insurer's risk was not disclosed by the Insured or the Policy Owner to the Insurer before the later of the Commencement Date or the Date of Reinstatement.
- b. If an application for Cover contains a misstatement of the age of an Insured, the Insurer may make variations to the Benefits provided under this Policy and/or premium permitted by section 7 of the Insurance Law Reform Act 1977.

1.11 Cessation of Cover

The Cover under this Policy ceases:

- a. when the Core Benefit is paid; or
- b. on the date of the occurrence of any other matters specified in this Policy which give rise to the cessation of Cover.

1.12 Cancellation of Cover by the Policy Owner

The Policy Owner may cancel the Cover by notice in writing to the Insurer:

- a. within 30 days of the Commencement Date, in which case any premiums paid will be refunded without interest; or
- b. at any other time, in which case no premiums paid will be refunded.

The Insurer may cancel the Cover if the Policy Owner has failed to pay a premium within 30 days of the due date for payment.

1.13 Transfer

The ownership of this Policy may be transferred in accordance with the Life Insurance Act 1908 and the attached Memorandum of Transfer form.

1.14 Applicable Law and Jurisdiction

The laws of New Zealand shall govern this Policy. The parties accept the exclusive jurisdiction of the courts of New Zealand.

1.15 Notices

Notices to the Policy Owner will be posted or delivered to the Policy Owner's last known address.

1.16 General

- a. This Policy complies with the Investment Savings & Insurance Association of New Zealand Inc Manual of Practice Standards. The Insurer is a member of that Association.
- b. The Insurer is entitled to elect, and has elected, not to have a current rating under the Insurance Companies (Ratings and Inspections) Act 1994.

Part 2 – Death Benefit

2.1 Payment of Benefit

If a Death Benefit is selected under this Policy and the Insured dies, the Death Benefit is payable upon proof satisfactory to the Insurer of the validity of the claim.

2.2 Premiums already paid

Any premiums paid to the Insurer that relate to a period after the Insured's death will be refunded to the Policy Owner.

2.3 Exclusion

This Policy will not operate, and the Insurer will retain any premiums paid, if the Insured dies (directly or indirectly) as a result of an intentional self inflicted injury which was inflicted within 13 calendar months from the later of the Commencement Date or the Date of Reinstatement.

Part 3 – Terminal Illness Benefit

3.1 Payment of Benefit

If a Death Benefit is selected under this Policy, the Terminal Illness Benefit is payable if the Insured develops a Terminal Illness.

3.2 Exclusion

This Policy will not operate, and the Insurer will retain any premiums paid, if the Insured develops a Terminal Illness (directly or indirectly) as a result of an intentional self inflicted injury which was inflicted within 13 calendar months from the later of the Commencement Date or the Date of Reinstatement.

Part 4 – Critical Condition Benefit

4.1 Risk covered

If a Critical Condition Benefit is selected under this Policy, the Critical Condition Benefit is payable if proof satisfactory to the Insurer is provided that the Insured has been diagnosed as suffering, for the first time ever and at a date not earlier than 3 months after the Commencement Date or the Date of Reinstatement (whichever is the later), from one or more of the following events:

- a. **Paralysis** – Total and permanent loss of the use of two or more limbs (a limb being an arm or leg) through paralysis or dismemberment.
- b. **Heart Attack** – Acute myocardial infarction, being the death of a portion of the heart muscle resulting from inadequate blood supply of the coronary arteries with diagnosis based on:
 - i. a history of typical prolonged chest pain;
 - ii. new electrocardiographic changes;
 - iii. elevation of cardiac enzymes above standard laboratory levels of normal.
- c. **Coronary Artery Disease Surgery** – The actual undergoing of coronary artery open bypass surgery for the treatment of coronary artery disease. Non-surgical techniques such as angioplasty intra-arterial procedure or laser relief of an obstruction are excluded, as well as any other inter-arterial procedure.
- d. **Stroke** – Any cerebrovascular accident or incident producing neurological sequelae lasting more than 24 hours and including:
 - i. infarction of brain tissue;
 - ii. intercranial and/or subarachnoid haemorrhage;
 - iii. embolism from extracranial source.

There must be evidence of permanent neurological deficit creating functional impairment.

- e. **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 of 1.5 mm 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.

- f. **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 peritoneal dialysis or haemodialysis.
- g. **Major Organ Transplant** – The actual undergoing of a human organ transplant from a donor to the Insured of one or more of the following organs:
 - i. heart;
 - ii. lung;
 - iii. liver;
 - iv. pancreas;
 - v. kidney;
 - vi. bone marrow.
- h. **Multiple Sclerosis** – The presence of typical lesions of the brain and/or the spinal cord, unequivocally confirmed by MRI scanning and a consultant neurologist, confirming at least 25% persisting neurological abnormalities, with impairment of function, but not necessarily such as to confine the Insured to a wheelchair. Persisting neurological abnormalities must have existed for at least 6 consecutive months. A single episode of multiple sclerosis from which remission has occurred shall not be considered for the purpose of this Policy.
- i. **Severe Burns** – Tissue injury caused by thermal, electrical or chemical agents resulting in third degree burns to 20% or more of the body surface area as measured by the "rule of 9" of the Lund and Browder Body Surface Chart, or an equivalent classification.
- j. **Coma** – A state of unconsciousness with no reaction or response to external stimuli, persisting continuously and requiring the use of a life support system for a period of at least seven days and resulting in permanent neurological deficit. Coma resulting from alcohol or drug abuse is excluded.
- k. **Open Heart Surgery and Aortic Surgery** – The actual undergoing of open heart surgery to replace or correct cardiac valves, to correct or remove an intracardial malformation or tumour or to correct any narrowing, dissection or aneurysm of the thoracic or abdominal aorta (excluding its branches).
- l. **Major Head Trauma** – Neurological deficit causing significant permanent functional impairment as certified by a medical practitioner specialising in neurology. The disturbance must result in a permanent inability to perform three or more activities of daily living[†]. These conditions must be documented over a period of three months.

- m. **Chronic Lung Disease** – Permanent and irreversible impairment of respiratory function as manifested by both:
- i. persistent reduction in vital capacity of less than 50% of predicted and/or persistent reduction in respiratory volume per second (Tiffeneau respiratory test) to less than 50% of predicted; and
 - ii. persistent reduction in arterial oxygen tension (PaO₂) below 60mm H.G. and an increase in carbon dioxide tension (PaCo₂) above 50mg H.G.
- n. **Chronic Liver Disease** – End stage liver failure, evidenced by all four of these signs:
- i. permanent jaundice;
 - ii. ascites;
 - iii. encephalopathy; and
 - iv. portal hypertension.
- Liver disease secondary to alcohol usage or intravenous drug abuse is excluded.
- o. **Aplastic Anæmia** – The acquired abnormality of blood production, characterised by an absence of normal bone marrow activity, as confirmed by a specialist physician (Hæmatologist) and requiring treatment with at least one of the following:
- i. blood transfusion, or blood product transfusion;
 - ii. bone marrow-stimulating agents;
 - iii. immuno-suppressant agents; or
 - iv. bone marrow transplantation.
- p. **Alzheimer’s Disease** – Permanent reduction of brain function, unequivocally diagnosed as Alzheimer’s Disease by a specialist physician (Neurologist), confirming defined memory loss and loss of intellectual function of at least moderate severity.
- q. **Blindness** – The complete and irrecoverable loss of sight of both eyes as a result of sickness or accident. The extent of visual loss must be 6/36 or worse (whether aided or unaided).
- r. **Parkinson’s Disease** – Unequivocal diagnosis of Parkinson’s Disease where the condition is confirmed by a consultant neurologist. The disease must result in a permanent inability to perform independently three or more activities of daily living[†]. These conditions must be documented over a period of three months.
- s. **Loss of Speech** – Total and permanent loss of the ability to produce vocal utterance in a language as a result of permanent damage to the larynx, the nerve supply of the larynx or the speech centres of the brain which must have been present for at least 3 consecutive months as certified by an appropriate specialist physician.
- t. **Motor Neurone Disease** – Unequivocal diagnosis of Motor Neurone Disease by a consultant neurologist. The disease must result in a permanent inability to perform independently three or more activities of daily living[†]. These conditions must be documented over a period of three months.
- † For the purposes of this clause, “activities of daily living” mean:
- i. bathing and/or showering;
 - ii. dressing and/or undressing;
 - iii. eating and/or drinking;
 - iv. using the toilet; and
 - v. moving from place to place, with or without a wheelchair or other prosthetic device.

4.2 Maximum Benefit Payable

- a. A claim is only payable for one of the events in clause 4.1 a. to t. On the payment of this claim, the Cover under this Benefit will cease.
- b. If a claim arises within 3 months of the date of an increase of the Benefit, other than the increases described in clause 1.7, the claim will be limited to the Critical Condition Benefit prior to the increase.

4.3 Condition

A claim is only payable if all of the requirements for a Critical Condition claim have been met prior to the Anniversary Date following the Insured’s 65th birthday.

4.4 Exclusions

- a. If the Critical Condition Benefit is the Core Benefit, no Critical Condition Benefit will be paid if the Insured dies within 28 days of the Insured being diagnosed as suffering from a Critical Condition event.
- b. No Critical Condition Benefit will be paid for any consequence (direct or indirect) of:
 - i. an intentional self inflicted injury;
 - ii. participation in war (whether war is declared or not), insurrection or civil commotion;
 - iii. HIV or sexually transmitted diseases;
 - iv. alcohol or drug abuse.

Part 5 – Permanent Disability Benefit

5.1 Payment of Benefit

If a Permanent Disability Benefit is selected under this Policy and the Insured becomes Permanently Disabled as defined in clause 5.2, the Insurer will pay the Permanent Disability Benefit and the Cover under this Benefit will cease.

5.2 Definition

“Permanent Disability” or “Permanently Disabled” mean:

- a. an Insured suffering the total and permanent loss of use of:
 - i. two limbs; or
 - ii. the sight of both eyes; or
 - iii. one limb and the sight of one eye,
 where “limb” means at least an entire hand or an entire foot; or
- b. the Insurer making a determination that the Insured, having been absent from employment through illness or injury for six consecutive months, will be wholly prevented by that injury or illness from ever again being able to engage in any permanent employment for which he or she is reasonably fitted by knowledge, training or past work experience.

5.3 Conditions

The Permanent Disability Benefit is subject to the following conditions:

- a. The insured must become Permanently Disabled prior to the Anniversary Date following the Insured’s 65th birthday.
- b. Unless otherwise agreed by the Insurer, the Permanent Disability Benefit will not be paid if the Insured is residing outside New Zealand, Australia, European Union Member States, United States of America or Canada.

5.4 Exclusion

No Benefit will be paid if the Permanent Disability results from an intentional self inflicted injury.