

## General Terms and Conditions

### Policy

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

### 1. 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 date on which cover provided by this Policy first commenced.

“Benefit” means any one of the benefits set out in Part 2 to Part 6 of this Policy.

“Commencement Date” means the date specified in the Schedule on which cover provided by this Policy commences (and, where the amount of a Benefit is increased or a new Benefit is added, means (in relation to the increase or the new Benefit) the date specified as the commencement date for that increase or the new 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 calculated in accordance with clause 1.10(c) 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 reduced amount in accordance with this Policy) and provided under Part 6 of this Policy, subject to the Insured meeting the definition in clause 6.2.

“Policy” means this policy and the Schedule.

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

“Schedule” means the schedule attached to this Policy (and, where the schedule has been replaced, means the latest schedule agreed to by the Policy Owner and the Insurer).

“Temporary Disability Benefit” means the Benefit for the amount shown in the Schedule and provided under Part 5 of this Policy, subject to the Insured meeting the definition in clause 5.2.

“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 the Insured meeting the definition in clause 3.1.

#### 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 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 term selected (in the case of Benefits other than the Permanent Disability Benefit and the Temporary Disability Benefit, which have a premium term of one year), the Insured’s then 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, if a premium period has been selected by the Policy Owner; or
  - one year, if no premium period has been 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 Death Benefit and the Terminal Illness Benefit on the Anniversary Date. However, an increase will not be offered:
- if the Death Benefit exceeds \$1,000,000;
  - if a claim has been accepted under the Critical Condition Benefit; or
  - 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 Variation of Benefits

- (a) The Policy Owner may from time to time, with the agreement of the Insurer, vary the Cover either by changing the Benefits selected by the Policy Owner or by increasing or reducing the amount(s) of the Benefits selected by the Policy Owner.
- (b) Any such variation of the Cover shall be evidenced by the completion of a new Schedule. The Benefits will be varied with effect from the date(s) specified in, and in accordance with, the new Schedule and the premium will be adjusted to reflect the new Benefits and/or the new amount(s) of the Benefits.

#### 1.9 Claims

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

#### 1.10 Amount of Benefits

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

#### Death Benefit

- (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

- (b) If a Terminal Illness Benefit 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 Benefit claim is made and all the claim requirements are met, the Insurer will pay 25% of the amount of the Death Benefit or 25% of the reduced Death Benefit if a claim has already been accepted for a Permanent Disability Benefit. The Critical Condition Benefit will be paid once only.
- (d) On payment of the Critical Condition Benefit, this Policy will continue in force for:
- the reduced Death and Terminal Illness Benefits. All premiums for these Benefits due after the payment of the Critical Condition Benefit will be waived until the Anniversary Date following the Insured’s 65th birthday, from which time the premiums for these reduced Benefits will be payable;
  - the Temporary Disability Benefit until the Anniversary Date following the Insured’s 60th birthday, subject to the continued payment of the premiums for that Benefit;
  - the Permanent Disability Benefit 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 premiums will be adjusted for this reduced Benefit.

#### Temporary Disability Benefit (if applicable)

- (e) If a Temporary Disability claim is made and all the claim requirements are met, the Insurer will pay the Temporary Disability Benefit on a monthly basis subject to ongoing evidence of eligibility for the claim. There is no payment of the claim for the first thirty days that the Insured is unable to carry out his or her usual occupation. Thereafter payment shall be made monthly in arrears.
- (f) During the period of payment of the Temporary Disability Benefit, the premiums for that Benefit and the Permanent Disability Benefit will be waived and will recommence when the period of claim has finished. The Policy Owner must continue to pay all other applicable premiums throughout the period of the claim.

#### Permanent Disability Benefit (if applicable)

- (g) 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.
- (h) On payment of the Permanent Disability Benefit, this Policy will continue in force for the reduced Death, Terminal Illness and Critical Condition Benefits. These Benefits will be reduced by the amount of the Permanent Disability claim payment, and the premiums will be adjusted for these reduced Benefits.
- The Temporary Disability Benefit will cease on payment of the Permanent Disability Benefit.

#### 1.11 Circumstances when Benefits are not payable

- (a) This Policy will not operate and Benefits will not be payable if:
- 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:
    - 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
    - was made within 3 years of the Insurer invoking this exclusion or the death of the Insured, whichever is the earlier; or
  - the claim is as a consequence (direct or indirect) of a pre-existing condition, being an illness or injury:
    - 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 1.11(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 1.11(a)(ii)(1).
- (iii) Anything materially relevant to the Insurer's risk was not disclosed by the Insured or the Policy Owner to the Insurer before 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.
- 1.12 Cessation of Cover**  
The Cover under this Policy ceases when the Death Benefit or the Terminal Illness Benefit is paid or on the date of the occurrence of any other matters specified in this Policy which give rise to the cessation of Cover.
- 1.13 Cancellation of Cover**  
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) within 30 days of the Commencement Date of any increase to or addition of a Benefit, in which case any premiums paid in respect of the increase or addition will be refunded without interest; or
- (c) at any other time, in which case no premium 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.

- 1.14 Transfer**  
The ownership of this Policy may be transferred in accordance with the Life Insurance Act 1908 and the attached Memorandum of Transfer form.
- 1.15 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.
- 1.16 Notices**  
Notices to the Policy Owner will be posted or delivered to the Policy Owner's last known address.
- 1.17 General**

**2. PART 2 – DEATH BENEFIT**

- 2.1 Payment of Benefit**  
If 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.

**3. PART 3 – TERMINAL ILLNESS BENEFIT**

- 3.1 Payment of Benefit**  
The Terminal Illness Benefit is payable if proof satisfactory to the Insurer is provided to show the Insured has an advanced or rapidly progressing, incurable, disabling terminal illness which, in the opinion of consultant medical or surgical specialist(s) approved by the Insurer, is likely to result in death within 6 months of diagnosis. "Terminal Illness" shall be construed accordingly.
- 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.

**4. 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 and require major treatment or be untreatable. Leukaemia (other than chronic lymphocytic leukaemia) and Hodgkin's (other than stage one) disease is included; but non-invasive cancers in situ, Kaposi's sarcoma, tumours in the presence of any human immunodeficiency virus (HIV), and all skin cancers other than invasive malignant melanoma at 1.5mm deep are excluded.
- (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.

**4.2 Maximum Benefit Payable**

- (a) A claim is only payable for one of the events in clause 4.1(a) to (g). On 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 in the amount of the Benefit, other than the increases described in clause 1.7, the claim will be limited to 25% of the Death 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**

- No Critical Condition Benefit will be paid for any consequence (direct or indirect) of:
- (a) an intentional self inflicted injury;
- (b) participation in war (whether war is declared or not), insurrection or civil commotion;
- (c) HIV or sexually transmitted diseases;
- (d) alcohol or drug abuse.

**5. PART 5 – TEMPORARY DISABILITY BENEFIT**

- 5.1 Payment of Benefit**  
During any period the Insured is Temporarily Disabled as defined in clause 5.2, and due to this disability is unable to work for more than 20 hours per week, in each case upon proof satisfactory to the Insurer of the validity of the

claim, the Insurer will pay the Temporary Disability Benefit on a monthly basis.

**5.2 Definition**

"Temporary Disability" and "Temporarily Disabled" mean the inability of an Insured by reason of illness or injury to carry out his or her usual occupation for a continuous period of 30 days. An Insured will not be Temporarily Disabled if, in the Insurer's reasonable opinion, he or she is engaged or would be able to be engaged, for more than 20 hours per week, in any occupation for which he or she would be reasonably fitted by his or her knowledge, training or previous work experience.

**5.3 Conditions**

The Temporary Disability Benefit is subject to the following conditions:

- (a) The Insured must become Temporarily Disabled prior to the Anniversary Date following the Insured's 60th birthday.
- (b) The Benefit will only be paid for a maximum of 24 months in aggregate for any one condition or any substantially related condition.
- (c) There is no payment for the first continuous period of 30 days that the Insured is unable by reason of illness or injury to carry out his or her usual occupation.
- (d) If the Insured has a relapse of the same condition which resulted in the payment of a Temporary Disability Benefit, within 6 months of the last Temporary Disability Benefit payment under that claim, then:
- (i) the subsequent period of disablement will be deemed to form part of the previous period for the purposes of the maximum period limitation set out in clause 5.3(b); and
- (ii) there will be no 30 day eligibility period.
- (e) The Insurer may decline to pay a claim or may cease payment of the Temporary Disability Benefit if an Insured refuses medical or surgical treatment recommended by a medical practitioner.
- (f) Unless otherwise agreed by the Insurer, a Temporary Disability Benefit will be paid for a maximum of 90 days whilst the Insured lives outside New Zealand or Australia.

**5.4 Exclusion**

No Temporary Disability Benefit will be paid if the Temporary Disability results (directly or indirectly) from an intentional self inflicted injury.

**6. PART 6 – PERMANENT DISABILITY BENEFIT**

**6.1 Payment of Benefit**

If the Insured becomes Permanently Disabled as defined in clause 6.2, the Insurer will pay the Permanent Disability Benefit and the Cover under this Benefit will cease.

**6.2 Definition**

- "Permanent Disability" or "Permanently Disabled" mean:
- (a) an Insured suffering the total and permanent loss of:
- (i) two limbs by physical separation; or
- (ii) the sight of both eyes; or
- (iii) both one limb by physical separation 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 an Insured will be wholly prevented by disability from ever again being able to engage in any permanent employment for which he or she is reasonably fitted by knowledge, training, education or past work experience.

**6.3 Transfer to Permanent Disability Benefit**

If, after paying the Temporary Disability Benefit for 2 years or such other shorter period as the Insurer at its discretion decides, the Insurer determines that the Insured is Permanently Disabled the Insurer will pay the Permanent Disability Benefit.

**6.4 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 60th birthday.
- (b) Unless otherwise agreed by the Insurer, the Permanent Disability Benefit will not be paid whilst the Insured is living outside New Zealand or Australia.
- (c) No Benefit will be paid if the Permanent Disability results (directly or indirectly) from an intentional self inflicted injury.



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