

## General Terms and Conditions

### Policy

The Insurer, BNZ Life Insurance Limited ("BNZ Life"), 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 Payment of Premium

The Policy Owner must pay the premium to BNZ Life on or before the due date(s) for payment by a method specified by BNZ Life from time to time.

##### 1.2 Premium

The initial premium is shown in the Schedule. BNZ Life will calculate the premium on each Anniversary Date based on:

- the amounts of the Benefits;
- the premium term selected (note - Permanent Disability Benefit, Temporary Disability Benefit and the Redundancy Benefit, must have a premium term of one year);
- the Insured's then age, gender and smoking status;
- any additional premium loading agreed to by both Policy Owner and BNZ Life; and
- BNZ Life's table of premiums and policy fees then in force.

BNZ Life may in its absolute discretion, recalculate the premium at anytime (including any time which is not an Anniversary Date) if BNZ Life's table of premiums and policy fees is revised in respect of all insureds with like cover. BNZ Life must give the Policy Owner not less than 60 days notice of any change in premium which will come into force at any time other than an Anniversary Date.

An administration fee, at such rate as may be determined by BNZ Life from time to time, may be imposed by BNZ Life if the premium is paid in fortnightly or monthly instalments.

##### 1.3 Change in smoker status

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

##### 1.4 Term

This Policy shall continue in force subject to its terms in respect of the Cover for each type of Benefit referred to in the Schedule for so long as the Cover has not lapsed under clause 1.6 or ceased in accordance with the terms of this Policy.

##### 1.5 No Surrender Value

This Policy does not have a cash surrender value.

##### 1.6 Lapse upon Non Payment

Cover will lapse and cease automatically if any instalment of premium remains unpaid for more than 30 days after the due date for payment of that instalment. BNZ Life may give the Policy Owner notice that Cover has lapsed and ceased but the failure or omission to give any such notice shall not prejudice the lapse or cessation of Cover.

At any time on or after the lapse of Cover this Policy may be cancelled by BNZ Life giving written notice to the Policy Owner or by marking the Policy as being "out of force" or similar in the records of BNZ Life.

##### 1.7 Reinstatement

The Policy may be reinstated on the application of the Policy Owner at the discretion of BNZ Life and on such terms and conditions as BNZ Life may determine. If the Policy is reinstated by BNZ Life, Cover under the reinstated Policy shall recommence from the Date of Reinstatement unless BNZ Life agrees in writing to Cover recommencing from an earlier date.

The Policy cannot be reinstated without the subsequent written consent of BNZ Life. Acceptance

of premiums by BNZ Life shall not be construed as reinstatement of the Policy unless BNZ Life confirms in writing to the Policy Owner that the Policy has been reinstated.

BNZ Life is not obliged to advise the Policy Owner that if the Policy has been cancelled the Policy Owner may seek to have the Policy reinstated by applying in writing to BNZ Life.

##### 1.8 Claims during the period

If a claim occurs within any period of grace allowed by BNZ Life under clause 1.6 or otherwise and BNZ Life has not received the premium due, BNZ Life, subject to the claim requirements and any statutory requirements having been met, may deduct the unpaid premium from any Benefit payable.

##### 1.9 Inflation Adjustment

BNZ Life may offer to increase the Death and Terminal Illness Benefit (and, as a consequence, any Critical Condition Benefit) on an Anniversary Date. However, an increase will not be offered:

- if the Death and Terminal Illness Benefit exceeds \$1,000,000;
- if a claim has been accepted under the Critical Condition Benefit or the Permanent Disability Benefit; or
- if the Policy Owner has declined the increase in two successive years.

BNZ Life will calculate the amount of any increase using CPI.

Any offer will be made in writing 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.

Any CPI increase in the Death and Terminal Illness Benefit (and any Critical Condition Benefit) will be of no effect if the increased premium remains unpaid for more than 30 days after the Anniversary Date.

##### 1.10 Variation of Benefits

The Policy Owner may from time to time apply to BNZ Life to have the Cover varied 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. BNZ Life is not bound to accept any application for an increased Benefit or for an additional Benefit except in the case where the increase in Benefit arises from the exercise of Future Insurability under Part 7.

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.

##### 1.11 Claims

A claim must be submitted to BNZ Life within 30 days of the grounds for making a claim occurring. BNZ Life may accept claims submitted after the expiry of such period in its absolute discretion or as required to do so by law.

To make a claim the Policy Owner must provide BNZ Life with the following:

- a BNZ Life claim form completed in a manner satisfactory to BNZ Life;
- this Policy;
- such medical reports as shall be required by BNZ Life to satisfy a claim in respect of Terminal Illness, or for a Critical Condition Benefit, a Temporary Disability Benefit or a Permanent Disability Benefit;
- satisfactory proof of the death of the Insured to satisfy a death claim;
- the Insured's birth certificate or other satisfactory proof of the age of the Insured;
- written confirmation from the Insured's employer as to the grounds of termination of employment of the

Insured when the claim relates to a Redundancy Benefit;

- a discharge (in the form specified by BNZ Life) of the Benefits under claim (except in the case of the Temporary Disability Benefit and the Redundancy Benefit); and
- such other satisfactory proof as may be required by BNZ Life.

Payment will not be made until BNZ Life has received the claim requirements to its complete satisfaction and BNZ Life has accepted the claim.

All Benefits will be paid to the Policy Owner unless otherwise agreed by the Policy Owner and BNZ Life.

##### 1.12 Amount of Benefits

The amount of Cover for each Benefit referred to in the Schedule is set out for:

- Death and Terminal Illness Benefit, in clause 2.2;
- Critical Condition Benefit (if applicable), in clause 3.1;
- Temporary Disability Benefit (if applicable), in clause 4.2;
- Permanent Disability Benefit (if applicable), in clause 5.2; and
- Redundancy Benefit (if applicable), in clause 6.2.

##### 1.13 Circumstances when Benefits are not payable

###### (a) Incorrect Statements:

This Policy will not operate and Benefits will not be payable if:

- BNZ Life 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 was made:
  - knowing it to be incorrect, or without belief in its correctness, or recklessly, without caring whether it was correct or not; or
  - within 3 years of BNZ Life 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 Insured was aware of at the date of the application, or the date of the application for reinstatement from lapse, and which was not disclosed in any such application; or
  - 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 in such application; or
  - in respect of which a medical practitioner recommended treatment or further advice and was not disclosed in such application; or
- anything materially relevant to BNZ Life's risk was not disclosed by the Insured or the Policy Owner to BNZ Life before the Commencement Date or the Date of Reinstatement; or
- a claim is made fraudulently in respect of any Benefit; or
- a statement in any claim form or in any document in support of a claim is untrue (including being untrue by reason of omission of any information) in any material respect relevant to the claim.

###### (b) Misstatement of age:

- If an application for Cover contains a misstatement of the age of the Insured, BNZ Life may make variations to the Benefits provided under this Policy and/or the premium. Any variation may be made only to the extent permitted by section 7 of the Insurance Law Reform Act 1977.

##### 1.14 Cessation of Cover

All Cover (including Future Insurability) ceases when the Death and 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.

### 1.15 Cancellation of Cover

The Policy Owner may cancel the Cover by notice in writing to BNZ Life or by such other means as BNZ Life may deem acceptable:

- within 30 days of the Commencement Date, in which case any premiums paid will be refunded without interest; or
- within 30 days of the Commencement Date of any increase to, or addition of, a Benefit other than any CPI increase, in which case any premiums paid in respect of the increase or addition will be refunded without interest; or
- at any other time, in which case no premium paid will be refunded.

### 1.16 Transfer

The ownership of this Policy may be transferred in accordance with the Life Insurance Act 1908.

### 1.17 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.

### 1.18 Notices

Notices to the Policy Owner will be posted, delivered or sent by email to the Policy Owner's last known address or email address advised to BNZ Life by the Policy Owner.

The method of communication will be at the discretion of BNZ Life.

## PART 2 – DEATH AND TERMINAL ILLNESS BENEFIT

### 2.1 Definition

"Terminal Illness" means the Insured has an advanced or rapidly progressing, incurable, disabling terminal illness which, in the opinion of any consultant medical or surgical specialist(s) approved by BNZ Life, is likely to result in death within 6 months of diagnosis.

### 2.2 Amount of Benefit

If the Insured dies or is diagnosed as suffering from a Terminal Illness while this Policy is in force, and all the claim requirements are met, BNZ Life will pay the Death and Terminal Illness Benefit of the amount shown in the Schedule (adjusted as required in accordance with clause 1.9 and Part 7) less any claims already accepted for a Critical Condition Benefit or Permanent Disability Benefit.

### 2.3 Payment of Benefit

If the Insured dies or develops a Terminal Illness, the Death and Terminal Illness Benefit is payable upon proof satisfactory to BNZ Life of the validity of the claim.

### 2.4 Premiums already paid

Any premiums that are received by BNZ Life after the death of the Insured that relate to a period after the Insured's death will be refunded to the Policy Owner.

### 2.5 Exclusions

This Policy will not operate, and BNZ Life will retain any premiums paid, if the Insured dies (directly or indirectly) or develops a Terminal Illness (directly or indirectly) as a result of:

- an injury or an illness arising from an act which was intentionally self inflicted, within 13 calendar months from the later of the Commencement Date or the Date of Reinstatement;
- the Insured's involvement in an unlawful act whether or not the Insured is charged or convicted of an offence in respect of that act; or
- participation in war (whether war is declared or not), warlike operations, insurrection or civil commotion.

## PART 3 – CRITICAL CONDITION BENEFIT

### 3.1 Amount of Benefit

If a Critical Condition Benefit claim is made, and all the claim requirements are met, BNZ Life will pay 25% of the amount of the Death and Terminal Illness Benefit or 25% of the reduced Death and Terminal

Illness Benefit if a claim has already been accepted for a Permanent Disability Benefit. The Critical Condition Benefit will be paid once only.

On payment of the Critical Condition Benefit, the Future Insurability Benefit (if any) will cease but this Policy will continue in force for the following Benefits, if shown in the Schedule:

- The Death and Terminal Illness Benefit will be reduced by the amount of the Critical Condition Benefit claim payment. All premiums for the reduced Death and Terminal Illness Benefit due after the payment of the Critical Condition Benefit will be waived until the Anniversary Date next following the Insured's 65th birthday, from which time the full premium for the reduced Death and Terminal Illness Benefit will become payable again;
- The Temporary Disability Benefit will continue until the Anniversary Date next following the Insured's 60th birthday, subject to the continued payment of the premiums for the Temporary Disability Benefit;
- The Permanent Disability Benefit will be reduced by the amount of the Critical Condition Benefit claim payment and the premiums will be adjusted for the reduced Permanent Disability Benefit. The reduced Permanent Disability Benefit will continue until the Anniversary Date next following the Insured's 60th birthday, subject to the continued payment of the premiums for the reduced Permanent Disability Benefit; and
- The Redundancy Benefit will continue until the Anniversary Date next following the Insured's 55th birthday, subject to the continued payment of premiums for the Redundancy Benefit.

### 3.2 Risk covered

If Cover includes a Critical Condition Benefit the Critical Condition Benefit is payable if proof satisfactory to BNZ Life 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:

- **Paralysis and Dismemberment** – Total and permanent loss of the use of two or more limbs (a limb being an entire arm or leg) through paralysis or dismemberment.
- **Heart Attack** – Acute myocardial infarction, being the death of a portion of the heart muscle resulting from inadequate blood supply through the coronary arteries. The diagnosis must be based on all of the following:
  - a history of typical prolonged chest pain;
  - new electrocardiographic changes characteristic of myocardial damage;
  - elevation of cardiac enzymes or other markers of myocardial damage (including troponins) above standard laboratory levels of normal.Subendocardial infarcts and Non-ST-segment-elevation myocardial infarction (NSTEMI) are excluded.
- **Open Coronary Artery Bypass Surgery** – The actual undergoing of open coronary artery bypass surgery for the treatment of coronary artery disease. The clinical necessity to perform this procedure must be evidenced to the satisfaction of a specialist appointed by BNZ Life. Non-surgical techniques such as angioplasty, stenting or laser relief of an obstruction are excluded, as well as any other inter-arterial procedure.
- **Stroke** – A cerebrovascular accident or incident producing permanent objective and ongoing neurological deficit lasting more than 24 hours, causing at least 25% permanent impairment of whole person function and being the result of:
  - an infarction of brain tissue; or
  - damage to brain tissue caused by intracerebral or subarachnoid haemorrhage or embolism from an extracranial source.

There must be clear evidence on a Computerised Tomography (CT) or Magnetic Resonance Imaging (MRI) scan or equivalent evidence that a stroke has occurred.

Excluded are:

- transient ischaemic attacks and reversible ischaemic neurological deficit; and
- cerebral injury resulting from trauma or arterial hypoxia; and
- vascular disease affecting solely the eye or optic nerve; and
- cerebral symptoms due to migraine.
- **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. Leukaemia (other than chronic lymphocytic leukaemia) and Hodgkin's (other than stage one) disease is included. All skin cancers other than invasive malignant melanoma of a skin invasion of 1.5mm and over are excluded. Pre-malignant lesions, Carcinoma in situ, Kaposi sarcoma and tumours in the presence of any Human Immunodeficiency Virus (HIV) are excluded.
- **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.
- **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:

- Complete heart;
- One or both lungs;
- Complete liver;
- Complete pancreas;
- Complete kidney;
- Bone marrow.

### 3.3 Maximum Benefit Payable

A claim is only payable for one of the events named in clause 3.2. On payment of a claim, the Cover under the Critical Condition Benefit will cease.

If a claim arises within 3 months of the Commencement Date of an increase in the amount of the Benefit, other than the increases to reflect CPI or as a result of the exercise of Future Insurability under Part 7, the claim will be limited to 25% of the Death and Terminal Illness Benefit prior to the increase.

### 3.4 Condition

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

### 3.5 Exclusions

No Critical Condition Benefit will be paid if an event (described in clause 3.2) results (directly or indirectly) from:

- an injury or an illness arising from an act which was intentionally self inflicted;
- participation in war (whether war is declared or not), warlike operations, insurrection or civil commotion;
- Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or sexually transmitted diseases;
- alcohol or drug abuse by the Insured; or
- the Insured's involvement in an unlawful act whether or not the Insured is charged or convicted of an offence in respect of that act.

## PART 4 – TEMPORARY DISABILITY BENEFIT

### 4.1 Definition

"Temporary Disability" and "Temporarily Disabled" means:

- 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; or
- in respect of an Insured who is not engaged in an occupation for financial reward for 20 hours or more

per week, BNZ Life making a determination that as a result of one or more illnesses or injuries suffered by the Insured, the Insured is unable to perform independently three or more Activities of Daily Living for a period of 30 consecutive days.

An Insured will not be Temporarily Disabled if, in BNZ Life's reasonable opinion, he or she is engaged or would be able to be engaged, for 20 hours or more per week, in any occupation for which he or she would be reasonably fitted by his or her knowledge, training or previous work experience.

#### 4.2 Amount of Benefit

If a Temporary Disability claim is made, and all the claim requirements are met, BNZ Life will pay the Temporary Disability Benefit by way of making payments in respect of any covered Loan that are based on the average of the regular payments of principal (if any) and interest, up to the maximum Temporary Disability Sum Insured shown in the Schedule, that have been made in respect of the Loan in the six consecutive months immediately prior to the Insured becoming Temporarily Disabled.

The amount of these Temporary Disability Benefit payments will be paid on a monthly basis subject to ongoing satisfactory evidence of eligibility for the claim as requested by BNZ Life.

The Temporary Disability Benefit excludes any sum not payable by regular instalments of principal (if any) and interest under the Loan.

During the period of payment of the Temporary Disability Benefit, the premiums for that Benefit and the Permanent Disability Benefit (if shown in the Schedule) will be waived and will recommence when the period of claim has finished. The Policy Owner must continue to pay all other applicable premiums under this Policy throughout the period of the claim.

#### 4.3 Payment of Benefit

During any period the Insured is Temporarily Disabled, in each case upon proof satisfactory to BNZ Life of the validity of the claim, BNZ Life will pay the Temporary Disability Benefit on a monthly basis.

#### 4.4 Conditions

The Temporary Disability Benefit is subject to the following conditions:

- The Insured must become Temporarily Disabled prior to the Anniversary Date next following the Insured's 60th birthday;
- The Temporary Disability Benefit will only be paid for a maximum of 24 months in aggregate for any one condition or any substantially related conditions;
- There is no payment for the first continuous period of 30 days ("the stand down period") that the Insured is Temporarily Disabled and thereafter, payment shall be made monthly in arrears;
- 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:
  - 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 this clause 4.4;
  - the payment of the Benefit will not be subject to the stand down period; and
  - the Benefit will be paid for a maximum of 24 months in aggregate;
- BNZ Life 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;
- Unless otherwise agreed by BNZ Life, a Temporary Disability Benefit will be paid for a maximum of 90 days whilst the Insured is living outside New Zealand.

#### 4.5 Exclusions

No Temporary Disability Benefit will be paid if the Temporary Disability results (directly or indirectly) from:

- an injury or an illness arising from an act which was intentionally self inflicted;
- participation in war (whether war is declared or not), warlike operations, insurrection or civil commotion;
- alcohol or drug abuse by the Insured; or
- the Insured's involvement in an unlawful act whether or not the Insured is charged or convicted of an offence in respect of that act.

### PART 5 – PERMANENT DISABILITY BENEFIT

#### 5.1 Definition

"Permanent Disability" or "Permanently Disabled" means:

- An Insured suffering the total and permanent loss of:
  - two limbs by physical separation; or
  - the sight of both eyes; or
  - 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
- BNZ Life making a determination that an Insured will be wholly prevented by disability from ever again being able to engage in any employment for which he or she is reasonably fitted by knowledge, training, education or past work experience, provided that:
  - if a claim is being made in respect of an Insured who has also received a Temporary Disability Benefit in respect of the same illness or injury and the Insured was not, within a reasonably proximate time before making a claim for the Temporary Disability Benefit, engaged in an occupation for financial reward for 20 hours or more per week, the Insured shall be considered to be Permanently Disabled only if BNZ Life makes a further determination that, as a result of the injury or illness suffered by the Insured, the Insured is prevented from ever again being able to perform at least three Activities of Daily Living; or
  - if a claim is being made in respect of an Insured for whom Temporary Disability Benefit Cover is not included in this Policy and the Insured was not, within a reasonably proximate time before making a claim for the Permanent Disability Benefit, engaged in an occupation for financial reward for 20 hours or more per week, the Insured shall be considered to be Permanently Disabled only if BNZ Life makes a further determination that, as a result of the injury or illness suffered by the Insured, the Insured is prevented from ever again being able to perform at least three Activities of Daily Living.

#### 5.2 Amount of Benefit

If a Permanent Disability Benefit claim is made and all the claim requirements are met, BNZ Life will pay the Permanent Disability Benefit amount, being the amount shown in the Schedule in respect of the Permanent Disability Benefit less any claim already accepted for a Critical Condition Benefit. The Permanent Disability Benefit will be paid once only. On payment of the Permanent Disability Benefit, this Policy will continue in force for the reduced Death and Terminal Illness Benefit and Critical Condition Benefit (if any). The Death and Terminal Illness Benefit will be reduced by the amount of the Permanent Disability Benefit claim payment. The Critical Condition Benefit (if any) will be reduced to 25% of the reduced Death and Terminal Illness Benefit. Premiums will be adjusted for those reduced Benefits. If the amount of Death and Terminal Illness Benefit is reduced to nil then the Policy will be cancelled and all Cover and Future Insurability will cease.

The Temporary Disability Benefit and any Redundancy Benefit will cease on payment of the Permanent Disability Benefit.

#### 5.3 Payment of Benefit

- (a) If the Insured becomes Permanently Disabled and Cover also includes a Temporary Disability Benefit

then, upon proof satisfactory to BNZ Life of the validity of the claim, BNZ Life will pay the Permanent Disability Benefit and the Cover under the Permanent and Temporary Disability Benefits will cease.

If, after paying the Temporary Disability Benefit (where the Cover includes the Temporary Disability Benefit) for 24 months or such other shorter period as BNZ Life at its discretion decides, BNZ Life determines that the Insured is Permanently Disabled, BNZ Life will pay the Permanent Disability Benefit and the Cover under the Temporary Disability Benefit will cease.

- (b) If the Insured becomes Permanently Disabled and Cover does not include a Temporary Disability Benefit then, upon proof satisfactory to BNZ Life of the validity of the claim and on the expiry of six months from the Insured becoming Permanently Disabled, BNZ Life will pay the Permanent Disability Benefit if a Death and Terminal Illness Benefit in respect of the Insured has not become payable before the expiry of such stand-down period.

#### 5.4 Conditions

The Permanent Disability Benefit is subject to the Insured becoming Permanently Disabled prior to the Anniversary Date next following the Insured's 60th birthday.

#### 5.5 Exclusions

No Permanent Disability Benefit will be paid:

- if the Insured is living outside New Zealand or Australia unless otherwise agreed by BNZ Life; or
- if the Permanent Disability results (directly or indirectly) from:
  - an injury or an illness arising from an act which was intentionally self inflicted;
  - participation in war (whether war is declared or not), warlike operations, insurrection or civil commotion;
  - alcohol or drug abuse by the Insured; or
  - the Insured's involvement in an unlawful act whether or not the Insured is charged or convicted of an offence in respect of that act.

### PART 6 – REDUNDANCY BENEFIT

#### 6.1 Definition

"Redundancy" and "Redundant" mean loss of employment in New Zealand, other than by dismissal or resignation, attributable to an Insured's position of employment becoming superfluous to the needs of the employer by reason of mechanisation, rationalisation, decrease of business activity, including but not limited to the closure of a business, changes in plant methods, materials or products, reorganisation, or similar cause requiring a permanent reduction in the number of employees employed.

#### 6.2 Amount of Benefit

If a Redundancy Benefit claim is made and all the claim requirements are met, BNZ Life will pay the Redundancy Benefit by way of making payments in respect of any covered Loan that are based on the average of the regular payments of principal (if any) and interest, up to the maximum Redundancy Benefit Sum Insured shown in the Schedule, that have been made in respect of the Loan in the six consecutive months immediately prior to the Insured becoming Redundant. These will be paid on a monthly basis subject to such ongoing provision of satisfactory evidence of eligibility for the claim as requested by BNZ Life. There is no payment of the claim for the first thirty days that the Insured is Redundant. Thereafter payment shall be made monthly in arrears. The Redundancy Benefit will be paid for a maximum 6-month period.

BNZ Life will waive the premium for the Redundancy Benefit (and the premium payments will recommence when the period of claim has finished) during the period of payment of the Redundancy Benefit. The Redundancy Benefit excludes:

- Repayments of the Loan due in the first 30 days

- following the Insured's Redundancy; and
- Any sum not payable by regular instalments of principal (if any) and interest under the Loan. On payment of the Redundancy Benefit, this Policy will continue in force for Death and Terminal Illness Benefit and Future Insurability (if applicable), Critical Condition Benefit (if applicable) and Permanent and Temporary Disability Benefits (if applicable).

### 6.3 Payment of Benefit

- If the Insured is made Redundant, upon proof satisfactory to BNZ Life of the validity of a claim, BNZ Life will pay the Redundancy Benefit to the Policy Owner to be applied in satisfaction of repayments of the Loan for the period the Benefit is payable. The Redundancy Benefit will be paid from 30 days following Redundancy until the earlier of:
- The date which is 6 months following the first payment; or
  - The date when the Insured is first re-employed (including self-employed) for a minimum of 30 hours per week.

### 6.4 Conditions

- The Redundancy Benefit is subject to the following conditions:
- the Insured must be less than 55 years old at the time of being made Redundant; and
  - the Insured must take all reasonable steps to obtain alternative employment and register with the New Zealand Employment service or a similar available employment agency satisfactory to BNZ Life. The Insured shall provide BNZ Life with written evidence of such registration and the continuance of that registration as requested by BNZ Life.

### 6.5 Exclusions

- No Redundancy Benefit will be paid if the Insured:
- Is made Redundant or is advised of the potential for Redundancy at any time before a date 3 months after the Commencement Date or Date of Reinstatement; or
  - Had not been engaged in permanent employment working a minimum of 30 hours per week for at least 6 consecutive months, immediately prior to being given notice of Redundancy; or
  - Is made Redundant from a fixed term contract; or
  - Is self employed or a working director or manager in circumstances where the Insured had, at the time of Redundancy, effective control over the Insured's continued employment; or
  - Had received official written notice of Redundancy from his or her employer before the Commencement Date or Date of Reinstatement; or
  - Knew or should have known of Redundancy, or the potential for Redundancy, before the Commencement Date or Date of Reinstatement; or
  - Is made Redundant from casual or seasonal employment; or
  - Is made Redundant because of a strike or lockout; or
  - Is living or working outside New Zealand at the time of Redundancy.

## PART 7 – FUTURE INSURABILITY

### 7.1 Definition

"Future Insurability" means the option to purchase an increased amount of Cover for the Death and Terminal Illness Benefit on the life of the Insured and, if applicable, any Critical Condition Benefit, shown in the Schedule as provided under this Part 7, at BNZ Life's standard rates without providing further health or lifestyle information but subject to the Insured meeting the requirements of this Part 7.

### 7.2 Benefit

Future Insurability, if shown in the Schedule, will only apply to the Death and Terminal Illness Benefit (and Critical Condition Benefit (if any)) shown in the Schedule and if this Policy is in force. Future Insurability will enable the Insured to purchase, at BNZ Life's standard rates, increased Cover for up to the lower of the following:

- 50% of the original Death and Terminal Illness Benefit (and Critical Condition Benefit (if any)) amount as at the Commencement Date (increased by CPI if the original Benefit amount has been increased by CPI); or
  - \$100,000,
- each time Future Insurability is exercised and without being subject to further underwriting conditions.

### 7.3 Conditions

The Policy Owner may exercise Future Insurability on the occurrence of any of the events listed below before the 10th Anniversary Date:

- On the third Anniversary Date;
- On the sixth Anniversary Date;
- On the ninth Anniversary Date;
- On the birth or adoption of a child of or by the Insured; or
- On the Insured granting a mortgage over any real property owned by him or her to secure any indebtedness of the Insured.

The Policy Owner must exercise Future Insurability by giving notice in writing to BNZ Life and must provide BNZ Life with satisfactory evidence of the Future Insurability Event in respect of which Future Insurability is being exercised.

The maximum Cover after any exercise of Future Insurability is:

- Death and Terminal Illness Benefit: \$1,000,000;
- Critical Condition Benefit: \$250,000.

Future Insurability will lapse in respect of any particular Future Insurability Event if it is not exercised within 30 days of the occurrence of that event.

Future Insurability may be exercised in respect of up to three separate Future Insurability Events.

### 7.4 Future Insurability Ceases

The Future Insurability Benefit (and premium) will cease and Future Insurability will lapse on the earliest of:

- the third exercise of Future Insurability; or
- the 10th Anniversary Date; or
- the 60th birthday of the Insured; or
- the date that this Policy ceases to be in force for any reason; or
- such other date as specified in this Policy.

## PART 8 – DEFINITIONS

### 8.1 In this Policy, unless the context otherwise requires:

"Activities of Daily Living" means the following activities of the Insured:

- Bathing and/or showering;
- Dressing and/or undressing;
- Eating and/or drinking;
- Using the toilet; and
- Getting in and out of bed, chair or wheelchair without assistance; or
- Moving from place to place (with or without a wheelchair or other prosthetic device).

"Anniversary Date" means an anniversary of the date on which Cover first commenced.

"Benefit" means any one of the benefits set out in Part 2 to Part 7 of this Policy.

"BNZ Life" means BNZ Life Insurance Limited.

"Commencement Date" means the date specified in the Schedule on which Cover 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 BNZ Life agrees to insure on the Insured, as detailed in this Policy.

"Critical Condition Benefit" means the Benefit for the amount calculated in accordance with clause 3.1 and provided under Part 3 of this Policy, subject to the Insured meeting the definition in clause 3.2.

"CPI" means the Consumer Price Index (All Groups) which is published by Statistics New Zealand, or such index of consumer prices as may replace the current index.

"Date of Reinstatement" means the date on which the Policy is reinstated under clause 1.7.

"Death and 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 2 of this Policy, subject to, in the case of a claim for Terminal Illness, the Insured meeting the definition of "Terminal Illness" in clause 2.1.

"Future Insurability Event" means an event listed in clause 7.3.

"Insured" means the person to whom the Cover relates.

"Loan" means the indebtedness of the Insured, proof of which was provided to BNZ Life at the time the Policy Owner applied for any Temporary Disability Benefit, Permanent Disability Benefit or Redundancy Benefit, and includes any indebtedness of the Insured incurred in substitution for the indebtedness originally evidenced to BNZ Life.

"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 of "Permanently Disabled" in clause 5.1.

"Policy" means this policy and the Schedule.

"Policy Owner" means the owner(s) of this Policy (and in the case of a death claim in respect of a Death and Terminal Illness Benefit where the Insured is also the Policy Owner, the personal representatives of the Policy Owner who are administering the Policy Owner's estate).

"Redundancy Benefit" means the Benefit, if shown in the Schedule, provided under Part 6 of this Policy, subject to the Insured meeting the requirements of Part 6.

"Schedule" means the schedule accompanying, and which forms part of this Policy (and, where the schedule has been amended or replaced, means the latest schedule agreed to by the Policy Owner and BNZ Life).

"Temporary Disability Benefit" means the Benefit, if shown in the Schedule, and provided under Part 4 of this Policy, subject to the Insured meeting the definition of "Temporary Disability" in clause 4.1.

September 2003