

LifeCare

General Terms and Conditions

May 2017



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Policy

The Insurer, BNZ Life Insurance Limited ('BNZ Life'), will insure the Insured for the Benefits in the Policy Document 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 **Policy Document**. **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 (premiums will generally increase with age);
- › 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 **Insured** with like **Cover**.

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.

BNZ Life will give the **Policy Owner** not less than 60 days notice of any change in premium or administration fee which will come into force at any time other than an **Anniversary Date**.

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 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.

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 **Policy Document** 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**.

Any such variation of the **Cover** shall be evidenced by the completion of a new **Policy Document**. The **Benefits** will be varied with effect from the date(s) specified in, and in accordance with, the new **Policy Document** 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 can be notified to **BNZ Life** by calling 0800 808 648, in writing or by such other means **BNZ Life** may deem acceptable.

BNZ Life must be advised of a claim under the **Temporary Disability Benefit** no later than 30 days after the **Stand Down Period** for the **Temporary Disability Benefit**, or no later than 30 days after the date the **Insured** is made **Redundant** for the **Redundancy Benefit**. **BNZ Life** may accept claims notified after the expiry of such period in its absolute discretion, in which case any claim paid may be reduced.

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**;
- › satisfactory proof of the death of a **Child** to satisfy a claim on the **Child Death Cover Benefit**;
- › the birth certificate or other satisfactory proof of the age of the **Child**;
- › satisfactory evidence of adoption or guardianship of the **Child** in the case of a **Child Death Cover Benefit** claim;
- › 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. With the exception of the **Child Death Cover Benefit**, all **Benefits** will be paid to the **Policy Owner** unless otherwise agreed by the **Policy Owner** and **BNZ Life**. Please refer to clause 9.3 for information on payment of the **Child Death Cover Benefit**.

1.12 Amount of Benefits

The amount of **Cover** for each **Benefit** referred to in the **Policy Document** is set out for:

- › **Death and Terminal Illness Benefit**, in clause 2.2;
- › **Bereavement Support Benefit**, in clause 3.1;
- › **Critical Condition Benefit** (if applicable), in clause 4.1;
- › **Temporary Disability Benefit** (if applicable), in clauses 5.3 and 5.4;
- › **Permanent Disability Benefit** (if applicable), in clause 6.2;
- › **Redundancy Benefit** (if applicable), in clause 7.2; and
- › **Child Death Cover Benefit**, in clause 9.2.

1.13 Circumstances when Benefits are not payable

Circumstances where **Benefits** may not be payable or can be varied by **BNZ Life**.

a. Incorrect Statements/Failure to Disclose Material Facts:

Cover issued under this **Policy** is provided on the basis that the information given by the **Insured** and the **Policy Owner** during the application, and/or in the process of claiming on this **Policy**, is true and correct and all material facts have been disclosed.

If the **Insured** or the **Policy Owner** fails to disclose information that is material to **BNZ Life**, or if any of the information provided is substantially incorrect and this **Policy** was issued or reinstated, or a claim considered, on the faith of that information, **BNZ Life** may:

- › Alter the terms upon which cover is provided under your **Policy**;
- › Cancel or reduce a **Benefit** under your **Policy**;
- › Cancel your **Policy**.

Incorrect Statements may include:

- › Information relating to any illness or injury that the **Insured** was aware of prior to the **Commencement Date** or **Date of Reinstatement** and which was not disclosed to **BNZ Life**;
- › A failure to disclose symptoms that existed prior to the **Commencement Date** or **Date of Reinstatement** that would cause a reasonable person to seek diagnosis, care or treatment;
- › Any statement in relation to a claim form or document in support of a claim that is untrue (including being untrue by any omission of information)

In the event that **Cover** is altered, reduced or cancelled, **BNZ Life**:

- › May choose to make any alteration or cancellation to any **Benefit** or the entire **Policy** effective from the **Commencement Date** or **Date of Reinstatement**;
- › Will be entitled to retain all premiums paid in relation to the **Benefit** or **Policy**.

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 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 giving notice to **BNZ Life** in writing or by calling 0800 808 648, 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. If **BNZ Life** has not provided the **Policy Owner** with all the information **BNZ Life** should have in the time frame required by law, the **Policy Owner** may have a longer right of cancellation; 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. If **BNZ Life** has not provided the **Policy Owner** with all the information **BNZ Life** should have in the time frame required by law, the **Policy Owner** may have a longer right of cancellation; 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 based on the medical evidence and any opinion(s) of an appropriate **Registered Medical Practitioner** (including consultant medical or surgical specialists) received by **BNZ Life**, **BNZ Life** is satisfied that the **Insured** is not expected to live for more than 12 months.

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 **Policy Document** (adjusted as required in accordance with clause 1.9, in the case of Terminal Illness the adjustment must be effective prior to the date of diagnosis to be included) 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, no **Death and Terminal Illness Benefit** will be paid, 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 (whether sane or insane), within 13 calendar months from the later of the **Commencement Date** or the **Date of Reinstatement**; 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 3 – Bereavement Support Benefit

3.1 Amount of Benefit

If a **Bereavement Support Benefit** claim is made, and all the claims requirements are met, **BNZ Life** will make a once only advance payment of NZ\$5,000 or the **Death and Terminal Illness Benefit**, whichever is the lesser. The **Death and Terminal Illness Benefit** will then 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** within 90 days of the claim being declined.

3.3 Conditions

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

Where a death certificate is not available in a timely manner **BNZ Life** may also agree to accept an obituary notice, newspaper report, police report, or written confirmation from the **Policy Owner** or the spouse of the **Insured**, as evidence of the death of the **Insured**.

Part 4 – Critical Condition Benefit

4.1 Amount of Benefit

If a **Critical Condition Benefit** claim is made, and all the claim requirements are met, **BNZ Life** will pay the **Critical Condition Benefit** amount, being the amount shown in the **Policy Document** in respect of the **Critical Condition Benefit** at the date of diagnosis, or if a **Permanent Disability Benefit** has been paid the reduced **Critical Condition Benefit** amount in accordance with clause 6.2. The **Critical Condition Benefit** will be paid once only.

On payment of the **Critical Condition Benefit** this **Policy** will continue in force for the following **Benefits**, if shown in the **Policy Document**:

- › The **Death and Terminal Illness Benefit** will be reduced by the amount of the **Critical Condition Benefit** claim payment. Premiums will be adjusted for the reduced **Benefits**. The reduced **Death and Terminal Illness Benefit** will continue subject to the continued payment of the premiums for the reduced **Death and Terminal Illness Benefit**. If the amount of **Death and Terminal Illness Benefit** is reduced to nil then the **Policy** will be cancelled and all **Cover** will cease;
- › The **Temporary Disability Benefit** will continue until the **Anniversary Date** next following the **Insured's** 65th 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** 65th 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** 65th birthday, subject to the continued payment of premiums for the **Redundancy Benefit**.

4.2 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:

- › **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.

- › **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 CT or 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.

4.3 Maximum Benefit payable

A claim is only payable for one of the events named in clause 4.2. 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 any **CPI** increase in accordance with clause 1.9, the claim will be limited to the **Critical Condition Benefit** amount, being the amount shown in the **Policy Document** in respect of the **Critical Condition Benefit** prior to the increase, or the reduced **Critical Condition Benefit** amount in accordance with clause 6.2 prior to the increase.

4.4 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.

4.5 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.

4.6 Exclusions

No **Critical Condition Benefit** will be paid if an event (described in clause 4.2) results (directly or indirectly) from:

- › an injury or an illness arising from an act which was intentionally self inflicted (whether sane or insane);
- › 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 – Temporary Disability Benefit

5.1 Definition

'**Total Temporary Disability**' and '**Totally Temporarily Disabled**' means:

- › in respect of the **Insured** who is not noted as a 'Homemaker' in the **Policy Document**, at the time of **Total Temporary Disability**, was engaged in an occupation for financial reward for 20 hours or more per week, the inability of the **Insured** solely by reason of illness or injury to carry out the important duties of his or her occupation on an ongoing basis for 7 hours or more per week; or

- › in respect of the **Insured** who is not noted as a 'Homemaker' in the **Policy Document**, at the time of **Total Temporary Disability**, was 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 illness or injury, the **Insured** is unable to perform three or more **Activities of Daily Living** independently on a continuous ongoing monthly basis, or
- › in respect of the **Insured** who is noted as a 'Homemaker' in the **Policy Document**, **BNZ Life** making a determination that as a result of illness or injury, the **Insured** is unable to perform three or more **Activities of Daily Living** independently on a continuous ongoing monthly basis.

'**Partial Temporary Disability**' and '**Partially Temporarily Disabled**' means:

- › in respect of the **Insured** who at the time of illness or injury was engaged in an occupation for financial reward for 20 hours or more per week, and has returned, or is capable of returning, to work in an occupation for financial reward for 7 hours or more per week but is unable to generate more than 80% of their **Pre-Disability Income** solely by reason of illness or injury.

There is no **Partial Temporary Disability** cover if the **Insured** is noted as a 'Homemaker' in the **Policy Document**, or at the time of illness or injury was not engaged in an occupation for financial reward for 20 hours or more per week.

BNZ Life can determine whether the **Insured** is:

- › **Totally Temporarily Disabled**;
- › **Partially Temporarily Disabled**; or
- › not temporarily disabled

In this determination, **BNZ Life** will take into account available medical evidence received from an appropriate **Registered Medical Practitioner** and any other relevant considerations directly related to the **Insured's** medical condition.

5.2 Payment of Benefit

During any period the **Insured** is continuously unable to work in any capacity for at least 30 days, and the **Insured** has continued to be **Totally Temporarily Disabled** or **Partially Temporarily Disabled** beyond the end of the **Stand Down Period**, **BNZ Life** will pay the **Temporary Disability Benefit**. The payment of the **Benefit** will be on a monthly basis in arrears upon proof satisfactory to **BNZ Life** of the validity of the claim, subject to ongoing satisfactory evidence of eligibility for the claim as requested by **BNZ Life** (which may include evidence of **Pre-Disability Income** and **Income While Disabled**).

During the period of payment of the **Temporary Disability Benefit**, the premiums for that **Benefit** and the **Permanent Disability Benefit** (if shown in the **Policy Document**) 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.

5.3 Amount of Benefit for Total Temporary Disability

Where the **Insured** is **Totally Temporarily Disabled** upon the monthly assessment of a claim, the amount of the **Temporary Disability Benefit** will be the **Temporary Disability Sum Insured** shown in the **Policy Document**, reduced by the following being received or entitled to be received by the **Insured**:

- › any **Income While Disabled** (net of tax); and
- › any benefit (net of tax) from any other insurer, persons or organisations (including Accident Compensation Corporation ‘ACC’) as a result of illness or injury.

Example 1: If you were totally disabled as a result of injury and you had a Temporary Disability Sum Insured of \$4,500 per month, and ACC was giving you income of \$1,500 per month, then the amount of your **Benefit** would be reduced to \$3,000 per month.

Example 2: If you were totally disabled as a result of illness and you had a Temporary Disability Sum Insured of \$4,000 per month, and you were not receiving, nor entitled to receive, a sickness benefit or any other income as a result of the illness, then the amount of your **Benefit** would be \$4,000 per month.

- › restricted to the lesser of \$2,500 per month or the Temporary Disability Sum Insured shown in the **Policy Document**, where the **Insured** is:
 - noted as a ‘Homemaker’ – i.e. they are working less than 20 hours per week for financial reward, and not receiving any unemployment, sickness, independent youth, or invalid’s benefit; or
 - not working due to being unemployed, on extended leave without pay or parental leave at the time of claim, and the period where they have not been working exceeds 9 months; or
 - self employed or running their own business, for less than 2 years.

5.4 Amount of Benefit for Partial Temporary Disability

Where the **Insured** is **Partially Temporarily Disabled** upon the monthly assessment of a claim, the amount of the **Temporary Disability Benefit** will be the Temporary Disability Sum Insured shown in the **Policy Document**, adjusted as follows:

- › reduced by the proportion of **Pre-Disability Income** earned, or capable of being earned, in the month being assessed, using the following formula:

$$\text{Temporary Disability Sum Insured} \times \frac{(\text{Pre-Disability Income} - \text{Income While Disabled})}{\text{Pre-Disability Income}}$$

- › reduced by any benefit (net of tax) being received, or entitled to be received as a result of illness or injury, from any other insurer, persons or organisations (including ACC).

Example 1: If prior to being injured you were earning \$9,000 per month before tax and you had a Temporary Disability Sum Insured of \$4,500 per month. If you were totally disabled, and then returned to work part time earning \$1,000 per month before tax and you received \$1,500 per month from ACC, your amount of **Benefit** for the month would be calculated as follows:

$$\begin{aligned} & \$4,500 \times \frac{(\$9,000 - \$1,000)}{\$9,000} = \$4,000 \\ & \text{Less income from ACC} \quad \quad \quad \$1,500 \\ & \text{Amount of Benefit} \quad \quad \quad = \$2,500 \end{aligned}$$

Example 2: If prior to being injured you were earning \$8,000 before tax and you had a Temporary Disability Sum Insured of \$4,000 per month. If you were totally disabled due to illness, and then returned to work part time earning \$2,000 per month before tax, your amount of **Benefit** for the month would be calculated as follows: (assuming you were not receiving, nor entitled to receive, a sickness benefit, ACC or other illness related income)

$$\$4,000 \times \frac{(\$8,000 - \$2,000)}{\$8,000} = \$3,000$$

$$\text{Amount of Benefit} = \$3,000$$

If **BNZ Life** determine the **Insured** is **Partially Temporarily Disabled** and the **Insured** is not working to their capability, **Income While Disabled** will be calculated based on what the **Insured** could be expected to earn if the **Insured** were working to the extent of their capability as determined by an appropriate **Registered Medical Practitioner**.

5.5 Vocational retraining and rehabilitation

To assist the **Insured** to return to a gainful occupation while claiming the **Temporary Disability Benefit**, **BNZ Life** will reimburse the **Insured** for any retraining or rehabilitation expenses, if:

- › **BNZ Life** agree to their retraining or rehabilitation expenses before they are incurred; and
- › expenses are not reimbursed from other sources such as ACC.

Maximum payment will be the lesser of:

- › the actual costs of the rehabilitation retraining measure or programme agreed by **BNZ Life**; or
- › 3 times the monthly Temporary Disability Sum Insured; or
- › \$10,000.

5.6 Conditions

The **Temporary Disability Benefit** is subject to the following conditions:

- › The **Insured** must be continuously unable to work in any capacity for at least 30 days, and continue to be **Totally Temporarily Disabled** or **Partially Temporarily Disabled** beyond the end of the **Stand Down Period** before any claim will be considered;
- › The **Insured** must become **Totally Temporarily Disabled** prior to the **Anniversary Date** next following the **Insured’s** 65th birthday;
- › The **Temporary Disability Benefit** will only be paid for a maximum of the **Benefit Term** in total for any one condition or related conditions;
- › Notwithstanding the maximum **Benefit Term** all claim payments will cease on the **Insured’s** 67th birthday;
- › There is no payment for the first continuous period equal to the **Stand Down Period** that the **Insured** is **Totally Temporarily Disabled** or **Partially 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 5.6;
 - the payment of the **Benefit** will not be subject to the **Stand Down Period**; and
 - the **Benefit** will be paid for a maximum of **Benefit Term** in total;
- › Notwithstanding the maximum **Benefit Term**, claim payments arising from mental illness (including but not limited to depression, anxiety, stress related disorders, phobias) as diagnosed by an appropriate **Registered Medical Practitioner** will be limited to a maximum 24 months, in total across all occurrences;
- › **BNZ Life** may decline to pay a claim or may cease payment of the **Temporary Disability Benefit** if the **Insured** refuses medical or surgical treatment recommended by an appropriate **Registered 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.

- › at the time of the injury or illness giving rise to a claim for a **Permanent Disability Benefit**, the **Insured** has been engaged in an occupation for financial reward for 20 hours or more per week and, in the determination of **BNZ Life**, the **Insured** will as a direct consequence of the injury or illness be wholly prevented by disability from ever again being able to engage in any employment for which the **Insured** is reasonably fitted by knowledge, training, education or past work experience;
- › at the time of the injury or illness giving rise to the claim for a **Permanent Disability Benefit**, the **Insured** has not been engaged in an occupation for financial reward for 20 hours or more per week and, in the determination of **BNZ Life**, the **Insured** is as a direct consequence of the injury or illness prevented by the disability from ever again being able to perform at least three **Activities of Daily Living** without the assistance of another person;
- › 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.

In determining whether the **Insured** is **Permanently Disabled**, **BNZ Life** may require the **Insured** to undergo an assessment by an Occupational Physician or other **Specialist Medical Practitioner**, to evaluate whether they will be wholly prevented by disability from ever again being able to engage in employment for which they are reasonably fitted by knowledge, training or past work experience.

5.7 Exclusions

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

- › the normal effects of pregnancy, childbirth or miscarriage unless the pregnancy results in complications which lead to **Total Temporary Disability** or **Partial Temporary Disability** lasting more than 90 days after the end of the pregnancy. The **Stand Down Period** will start from the 91st day;
- › an injury or an illness arising from an act which was intentionally self inflicted (whether sane or insane);
- › alcohol or drug abuse by the **Insured**;
- › 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
- › mental illness (including but not limited to depression, anxiety, stress related disorders, phobias) where it has been diagnosed by an appropriate **Registered Medical Practitioner** within 2 years following the **Commencement Date** or **Date of Reinstatement** or increase to the amount of **Benefit**, and the **Insured** is self employed, on contract or running their own business.

6.2 Amount of Benefit

The amount of the **Permanent Disability Benefit** is the amount shown in the **Policy Document** less any claim already accepted for a **Critical Condition Benefit**.

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 in proportion to the remaining **Death and Terminal Illness Benefit**. On payment of the **Permanent Disability Benefit**, the **Policy** will continue in force for the reduced **Death and Terminal Illness Benefit** and **Critical Condition Benefit** (if any). Premiums will be adjusted for those reduced **Benefits**.

6.3 Payment of Benefit

- › Where the **Cover** does not include a **Temporary Disability Benefit** then, upon proof satisfactory to **BNZ Life** of the validity of a claim in respect of the **Permanent Disability Benefit**, **BNZ Life** will pay the **Permanent Disability Benefit** to the **Policy Owner** on the expiry of six months from the **Insured** becoming **Permanently Disabled**.
- › Where the **Cover** also includes a **Temporary Disability Benefit**, if after paying the **Temporary Disability Benefit** for the **Benefit Term** or until the **Insured's** 67th birthday, whichever is earlier (or such 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**.
- › The **Permanent Disability Benefit** will be paid once only.

Part 6 – Permanent Disability Benefit

6.1 Definition

'**Permanent Disability**' or '**Permanently Disabled**' means that at least one of the following applies in respect of the **Insured**:

6.4 Cover ceases

Cover under the **Permanent Disability Benefit**, the **Temporary Disability Benefit** (if any) and the **Redundancy Benefit** (if any) will cease on acceptance of the claim for the **Permanent Disability Benefit**.

If the amount of **Death and Terminal Illness Benefit** is reduced to nil then the **Policy** will be cancelled and all **Cover** will cease.

6.5 Conditions

The **Permanent Disability Benefit** is subject to the **Insured** becoming **Permanently Disabled** prior to the **Anniversary Date** next following the **Insured's** 65th birthday.

6.6 Exclusions

No **Permanent Disability Benefit** will be paid:

- › If the **Insured** is residing outside New Zealand, Australia, European Union Member States, United Kingdom, United States of America or Canada.
- › If the **Permanent Disability** results (directly or indirectly) from:
 - an injury or an illness arising from an act which was intentionally self inflicted (whether sane or insane);
 - 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.

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 **Policy Owner** must continue to pay all other applicable premiums under this **Policy** throughout the period of the claim.

On payment of the **Redundancy Benefit**, this **Policy** will continue in force for **Death and Terminal Illness Benefit**, **Critical Condition Benefit** (if applicable), **Permanent Disability Benefit** and **Temporary Disability Benefit** (if applicable).

7.3 Payment of Benefit

If the **Insured** is made **Redundant**, the **Redundancy Benefit** will be paid on a monthly basis subject to ongoing proof satisfactory to **BNZ Life** of the validity of a claim, **BNZ Life** will pay the **Redundancy Benefit** to the **Policy Owner**. There is no payment of the claim for the first 30 days after the date of **Redundancy**. Thereafter payment shall be made monthly in arrears.

The **Redundancy Benefit** will be payable from 30 days following the date of **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 30 hours or more per week.

7.4 Conditions

The **Redundancy Benefit** is subject to the following conditions:

- › the **Insured** must be less than 65 years old at the time of being made **Redundant**; and
- › the **Insured** must take all reasonable steps to obtain alternative permanent 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**.

7.5 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 6 months after the **Commencement Date** or **Date of Reinstatement**; or
- › had not been engaged in permanent employment working 30 hours or more 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
- › the **Insured** has taken voluntary **Redundancy** or voluntarily resigned; or
- › is self employed or a working director or manager in circumstances where the **Insured** or the **Policy Owner** 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

Part 7 – Redundancy Benefit

7.1 Definition

'**Redundancy**' and '**Redundant**' mean loss of employment in New Zealand, other than by dismissal or resignation, attributable to the **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. The date of **Redundancy** is deemed to be the later of the date when the **Insured** ceases work or the end of the **Insured's** paid notice period (even if they do not work the full notice period).

7.2 Amount of Benefit

The amount of the **Redundancy Benefit** will be the Redundancy Sum Insured shown in the **Policy Document**, reduced by any other regular income from wages or salary (net of tax) or unemployment related benefit (net of tax) being received, or entitled to be received, from any other insurer, persons or organisations.

Any redundancy settlement or lump sum redundancy payment received from the previous employer will not impact on the amount or payment of the **Redundancy Benefit**.

The **Redundancy Benefit** will be paid for a maximum 6 month period.

- › 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** unless it is part of a secondment while working for a New Zealand employer.

Part 8 – Taxation

8.1 **BNZ Life's** understanding of the tax position of its **Temporary Disability Benefit** and **Redundancy Benefit** is that:

- › Premiums are not deductible for tax purposes; and
- › Claim **Benefits** are not tax assessable.

8.2 If the tax position is ever changed by the Inland Revenue Department so that premiums become deductible and claim **Benefits** become taxable then **BNZ Life** confirms that it will allow the Temporary Disability Sum Insured to be increased as follows:

- › an amount required to ensure that the **Temporary Disability Benefit** and/or **Redundancy Benefit** after the deduction of tax is the equivalent of the **Temporary Disability Benefit** and/or **Redundancy Benefit** that would have been paid immediately prior to any such change in tax position; and
- › **BNZ Life** will accept the increase on the same terms as the original Benefit without any further medical or financial evidence.

BNZ Life will notify the **Policy Owner** in writing as soon as reasonably practicable upon it becoming aware of any such change in tax position. The **Policy Owner** must then make a written request to **BNZ Life** to increase the monthly Benefit accordingly. **BNZ Life** must receive any such increase request within 60 days of **BNZ Life's** notification of the change in tax position, or else the offer to increase without underwriting will lapse.

The increase will only take place if the **Insured** is not claiming under the **Temporary Disability Benefit** and/or **Redundancy Benefit**, otherwise the increase will occur when the claim period is complete.

8.3 At the time of any such increase the premium payable for the **Temporary Disability Benefit** and/or **Redundancy Benefit** will also increase proportionally.

Part 9 – Child Death Cover Benefit

9.1 **Definition**

'**Child**' means, a child of the **Insured** (either by birth or legal adoption) or a child who is under the guardianship of the **Insured**.

9.2 **Amount of Benefit**

If a **Child Death Cover Benefit** claim is made and all the claims requirements are met, **BNZ Life** will make a payment of \$2,000 per **Child**.

9.3 **Payment of Benefit**

BNZ Life will pay a **Child Death Cover Benefit** if a **Child** aged between 3 and 10 years suffers an accident (bodily injury caused directly and solely by violent, accidental, external and visible means and independent of any other cause) and, as a direct result of that accident, dies within 90 days of the accident's occurrence.

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 a **Child**. Unless otherwise agreed by **BNZ Life**, the **Benefit** will be paid on the LifeCare Policy with the earliest **Commencement Date**.

The **Benefit** will be paid upon proof satisfactory to **BNZ Life** of the validity of the claim.

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**.

9.4 **Exclusions**

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

Part 10 – Definitions

In this **Policy**, unless the context otherwise requires:

'**Activities of Daily Living**' means the following activities of the **Insured**:

- › Bathing and showering;
- › Dressing and undressing;
- › Eating and 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**' or '**Benefits**' means any one of the **Benefits** set out in Part 2 to Part 7, and Part 9 of this **Policy**.

'**Benefit Term**' means the '**Benefit Term**' shown in the **Policy Document**. Subject to the next sentence, this is the maximum length of time that the **Temporary Disability Benefit** will be paid for any one condition or related conditions. All **Temporary Disability Benefit** claim payments will cease on the **Insured's** 67th birthday.

'**Bereavement Support Benefit**' means a **Benefit** for the amount of \$5,000 (or the amount of the **Death and Terminal Illness Benefit** shown in the **Policy Document** if less) provided under Part 3 of this **Policy** on the death of the **Insured** and subject to the repayment of the amount of the **Benefit** being recoverable in full if the claim for the **Death and Terminal Illness Benefit** is subsequently declined.

'**BNZ Life**' means BNZ Life Insurance Limited.

'Child Death Cover Benefit' means a **Benefit** for the amount of \$2,000 provided under Part 9 of the **Policy** which is payable on the accidental death of a child of the **Insured** aged between 3 and 10 years and subject to the deceased child meeting the definition of **'Child'** in clause 9.1.

'Commencement Date' means the date specified in the **Policy Document** 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 4.1 and provided under Part 4 of this **Policy**, subject to the **Insured** meeting the definition in clause 4.2.

'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 **Policy Document** (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.

'Insured' means the person to whom the **Cover** relates.

'Income While Disabled' means:

a. When the **Insured** is employed

- › **Income While Disabled** means total remuneration package received or entitled to be received by the **Insured** while they are **Temporarily Disabled**.
- › Total remuneration package includes salary, wages, commissions, bonuses, overtime payments, pre-tax KiwiSaver contributions, motor vehicle allowances and fringe benefits (as that term is defined in section CX2 of the Income Tax Act 2007).
- › **Income While Disabled** does not include other unearned income which is not from the **Insured's** occupation such as dividends, interest, investment income, rental income, earned or received by the **Insured**.

b. When the **Insured** is self-employed, on contract or a business owner

- › **Income While Disabled** means the **Insured's** share of net profit generated from their occupation within the entity/entities or businesses the **Insured** is associated with which they receive or are entitled to receive while they are **Temporarily Disabled**.

Net profit is calculated by:

- adding the gross earnings across the entities or businesses the **Insured** is associated with
- less any expenses incurred in producing the gross earnings, referred to in the point above, across the entities or businesses the **Insured** is associated with
- before the deduction of income tax.

- › **Income While Disabled** does not include other unearned income which is not from the **Insured's** occupation such as dividends, interest, investment income, rental income, earned or received by the **Insured**.

- › Salary or wages for the **Insured** will be added to the **Income While Disabled** and calculated as per the **Income While Disabled** for employees above.

'Permanent Disability Benefit' means the **Benefit** for the amount shown in the **Policy Document** (or any increased or reduced amount in accordance with this **Policy**) and provided under Part 6 of this **Policy**, subject to the **Insured** meeting the definition of **'Permanently Disabled'** in clause 6.1.

'Policy' means this policy and the **Policy Document**.

'Policy Document' means the **Policy Document** accompanying, and which forms part of, this **Policy** (and, where the **Policy Document** has been amended or replaced, means the latest **Policy Document** agreed to by the **Policy Owner** and **BNZ Life**). The **Policy Document** must be read in conjunction with the Policy Schedule issued at the latest **Anniversary Date**.

'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).

'Pre-Disability Income' means:

a. When the **Insured** is employed:

- › **Pre-Disability Income** means the total remuneration package earned for the 12 consecutive months immediately prior to the **Insured** becoming disabled.
- › Total remuneration package includes salary, wages, regular commissions, regular bonuses, regular overtime payments, pre-tax KiwiSaver contributions, motor vehicle allowances and fringe benefits (as that term is defined in section CX2 of the Income Tax Act 2007).
- › Regular refers to an average over the 36 consecutive months immediately prior to the **Insured** becoming disabled
- › **Pre-Disability Income** does not include other unearned income which is not from the **Insured's** usual occupation, such as dividends, interest, investment income, rental income, earned or received by the **Insured**.

b. When the **Insured** is self-employed, on contract or a business owner:

- › **Pre-Disability Income** means the **Insured's** share of net profit generated from their occupation within the entity/entities or businesses the **Insured** is associated with over the 12 consecutive months immediately prior to the **Insured** becoming disabled.

Net profit is calculated by:

- Adding the gross earnings across the entities or businesses the **Insured** is associated with
- Less any expenses incurred in producing the gross earnings, referred to in the point above, across the entities or businesses the **Insured** is associated with
- before the deduction of income tax.

- › **Pre-Disability Income** does not include other unearned income which is not from the **Insured's** usual occupation, such as dividends, interest, investment income, rental income, earned or received by the **Insured**.
- › Salary or wages for the **Insured** will be added to the **Pre-Disability Income** and calculated as per the **Pre-Disability Income** for employees above.

'Redundancy Benefit' means the **Benefit**, if shown in the **Policy Document**, provided under Part 7 of this **Policy**, subject to the **Insured** meeting the requirements of Part 7.

'Registered Medical Practitioner' means a doctor acceptable to **BNZ Life** who is legally qualified and properly registered, with a current annual practicing certificate issued by the New Zealand Medical Council or the Medical Board of Australia / Australian Health Practitioner Regulation Agency. The doctor cannot be the **Insured**, **Policy Owner**, an immediate family member, a business partner or person who is otherwise related to the **Insured** or **Policy Owner**. **BNZ Life** reserves the right to accept the advice of a registered medical practitioner practising outside New Zealand or Australia. The practitioner must have qualifications equivalent to New Zealand or Australian standards.

'Specialist Medical Practitioner' means a **Registered Medical Practitioner** who is a Member or Fellow of an appropriately recognised Specialist College, and who has Medical Council of New Zealand vocational registration (or the Australian equivalent) in the specialty that directly relates to the medical condition experienced by the **Insured**.

'Stand Down Period' means the 'Stand Down Period' shown in the **Policy Document**. This is the period that must pass before a claim will be considered. The **Stand Down Period** commences on the later of, the date the **Insured** ceased work as a result of **Total Temporary Disability**, the date of the event that caused the **Total Temporary Disability**, or the date the **Insured** consulted with an appropriate **Registered Medical Practitioner** in relation to the illness or injury that caused the **Total Temporary Disability**.

'Temporary Disability Benefit' means the **Benefit**, if shown in the **Policy Document**, and provided under Part 5 of this **Policy**, subject to the **Insured** meeting the definition of '**Total Temporary Disability**' or '**Partial Temporary Disability**' in clause 5.1.

BNZ Life Insurance Limited

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 its related companies, including National Australia Bank Limited and Bank of New Zealand, or any other parties. 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. Bank of New Zealand arranges LifeCare as an agent for BNZ Life and receives commission on any policies it arranges.

A copy of BNZ Life's latest financial statements is available from the company's head office at 60 Waterloo Quay, Wellington (PO Box 1299, Wellington 6140), New Zealand.

Our Qualifying Financial Entity Disclosure Statement may be obtained free of charge from any BNZ store or bnz.co.nz.

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