



ASSURANCE EXTRA

POLICY DOCUMENT



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1. This Policy Document

Welcome to **Cigna**.

This policy document sets out the terms, conditions, benefits and exclusions of cover under the insurance contract between **Cigna** and you, the **Policy Owner(s)** named in the **Policy Schedule**.

In addition to this policy document, the following form part of the policy between you and **Cigna**:

- your application form submitted to **Cigna**;
- personal statements, or other statements, made by you and the **Lives Assured** to **Cigna** and/or your adviser;
- any special acceptance terms letters issued by **Cigna**;
- the **Policy Schedule**;
- any issued **Endorsement Schedules**;
- any written notice given by **Cigna** to you, or given by you to **Cigna**;
- any legislative provisions which must be included as part of this policy by law.

Nothing else forms part of this policy.

2. About Cigna

2.1 Your Insurer

Assurance Extra is underwritten by **Cigna**. **Cigna** is a licensed insurer.

Cigna's current insurer financial strength rating and solvency margin can be found on its website at www.cigna.co.nz.

2.2 What do you do if you have a problem?

2.2.1 Try Cigna first

Cigna wants you to remain satisfied with your policy so if you have any problems please let **Cigna** know. **Cigna** is committed to resolving your problem or complaint as quickly as possible. You can call **Cigna** on 0508 464 999 (toll free).

2.2.2 The Insurance & Financial Services Ombudsman Scheme (IFSO)

If you feel **Cigna** hasn't resolved your complaint satisfactorily, you can seek independent assistance from the Insurance & Financial Services Ombudsman Scheme. The Insurance & Financial Services Ombudsman can help customers resolve concerns and disputes with their insurer, free of charge.

For more information about the Insurance & Financial Services Ombudsman Scheme, visit their website www.ifso.nz or call 0800 888 202.

Before the Insurance & Financial Services Ombudsman can review your complaint, it must first have been fully investigated by **Cigna**.

3. About Assurance Extra

3.1 Addition of New Covers

Your Assurance Extra policy offers a flexible solution to provide protection for your future. Your policy can be tailored to include a combination of covers to meet your needs. The individual elements within your Assurance Extra policy may be changed without having to replace the whole policy, making it adaptable to changes in your life so that it can continue to be of real value to you. Additional underwriting and premiums may apply.

3.2 Policy Enhancement Benefit

Cigna is committed to continuously improving and enhancing its products. **Cigna** may, from time to time, offer enhanced policy wording under the Assurance Extra Protection Benefit Sheets subsequent to issuing your policy (any such changes being a "**Policy Enhancement**"). Subject to the terms and conditions specified in this Clause, if:

- you make a claim; and
- at the time of your claim, a **Policy Enhancement** has been applied to the Assurance Extra policy wording and/or any of the Protection Benefit Sheets you have under your policy since you took out that policy and/or **Cover**;

then **Cigna** will consider your claim as if the relevant **Policy Enhancement** were a part of your policy and/or the relevant **Cover** it applies to.

Cigna will not consider any claim under a **Policy Enhancement** if the **Illness, Injury** or condition (including signs, symptoms or diagnosis of such **Illness, Injury** or condition) being claimed occurred or arose prior to the date that the relevant **Policy Enhancement** came into effect.

A **Policy Enhancement** is effective from the date which **Cigna** declares it to be effective. For the avoidance of doubt, a **Policy Enhancement** will not cease to be effective when **Cigna** declares another **Policy Enhancement**, relating to the same part of the Assurance Extra policy wording and/or Protection Benefit Sheet to be in effect.

Not all **Policy Enhancements** will apply to your policy. For example, if the **Policy Enhancement**:

- applies to a **Cover** that is not a part of your policy; or
- has been introduced as a new optional benefit;

then that **Policy Enhancements** will not apply to your policy. You have the opportunity to apply to **Cigna** for enhancements that are optional benefits. However, additional underwriting and premiums may apply.

If your policy is subject to any underwriting exclusions, limitations, restrictions or other special terms, as specified in the **Policy Schedule** and/or **Endorsement Schedule(s)**, your policy will remain subject to them despite any **Policy Enhancements**. If a claim can result in payment under the terms of your existing policy, your claim will not be considered under any **Policy Enhancements** that may otherwise be applicable.

All future **Policy Enhancements** will be posted on **Cigna's** website: www.cigna.co.nz.

3.3 Children's Bereavement Support Benefit

A Children's Bereavement Support Benefit will be payable if, while this policy is in force, a natural or legally adopted child of the **Life Assured** who is under the age of eighteen (18) dies.

The amount of Children's Bereavement Support Benefit payable is the lesser of:

- the actual **Direct Funeral Costs** incurred; or
- \$15,000.

Only one (1) Children's Bereavement Support Benefit is payable per child irrespective of the number of **Lives Assured** or policies with **Cigna**.

You must provide:

- evidence of the death of the child, acceptable to **Cigna**;
- birth certificate or legal adoption documentation of that child, acceptable to **Cigna**;
- receipts confirming payment of **Direct Funeral Costs**.

Cigna will not pay a claim under the Children's Bereavement Support Benefit if the death of the child is as a direct or indirect result of:

- harm to the child which has been directly or indirectly caused by you or any **Life Assured**, or
- any illness, injury or condition the signs, symptoms or diagnosis of which occurred prior to the **Commencement Date**.

3.4 Grief Counselling Benefit

If **Cigna** pays the Life Cover sum insured or a Children's Bereavement Support Benefit, then **Cigna** will pay or reimburse the **Policy Owner(s)** or any **Dependant** for the cost of grief counselling services received by them, up to \$1,000 (including GST) in total.

Payment of the Grief Counselling Benefit is subject to the following conditions:

- the counselling received must be regarding death of the **Life Assured** in respect of whom the Life Cover sum insured is paid or the child in respect of whom the Children's Bereavement Support Benefit is paid;
- the **Policy Owner(s)** or **Dependant** claiming the benefit must have been referred for grief counselling by their usual general medical practitioner or another appropriate **Specialist**, and the counselling must be provided by a suitably qualified person who performs grief counselling services as part of their occupational duties and who is not related to the person receiving counselling or otherwise associated with the policy;

- the counselling must be received within six (6) months of the date of death of the **Life Assured** or child in respect of whom the Children's Bereavement Support Benefit is paid; and
- **Cigna** must be provided with receipts satisfactory to **Cigna** verifying the fees being claimed within three (3) months of the counselling being received.

Cigna will only pay one (1) Grief Counselling Benefit up to a maximum of \$1,000 in relation to the death of a **Life Assured** or child in respect of whom the Children's Bereavement Support Benefit is paid irrespective of the number of Protection Benefits or policies the **Life Assured** or child are covered under.

Any payment under this Grief Counselling Benefit is in addition to the Life Cover sum insured and the Children's Bereavement Support Benefit.

4. Insurance Covers

4.1 Cover

The people who are insured under this policy (called the **Lives Assured**), and the **Cover(s)** that they are insured for are detailed in the **Policy Schedule**.

This policy commences on the **Commencement Date**. The term of this policy is linked to the frequency with which you have chosen to pay the **Total Premium**, subject to the thirty-one (31) day grace period set out in Clause 8.3 (Missed Premiums). For example, if you choose to pay monthly, you will receive insurance cover for a term of one (1) month.

You have the right to renew this policy for further terms by payment of the **Total Premium** due for those further terms. For example, if you choose to pay monthly, you may renew the policy for a further month by payment of the **Total Premium** due for that further month. Where a maximum renewal age is specified in the **Policy Schedule** for a **Cover**, that **Cover** will cease at that age, despite any previous renewal.

4.2 Changing your Covers

You can apply to **Cigna** to change your **Cover(s)** at any time. **Cigna** recommends that you do so in consultation with your adviser. If new **Cover(s)** are to be added, sums insured increased or new **Lives Assured** added to this policy then these changes will not take effect until **Cigna** has assessed and accepted (at its sole discretion) the changes.

Changing your **Cover(s)** may require a change in your **Protection Premium**. **Cigna** will advise you of the new **Protection Premium** resulting from the amended **Cover(s)**.

If you have chosen to adjust the sum insured of any of the **Cover(s)** provided under this policy by the **Inflation Rate**, then the sum insured for those **Cover(s)** will change on the **Anniversary Date** each year in line with the **Inflation Rate** for the previous year (assuming your policy remains in force). When this happens, the proportion of the **Protection Premium** payable for those specific **Cover(s)** will also increase by the same percentage on the same day. If the **Inflation Rate** is negative in any year, then your **Cover(s)** and **Protection Premium** will not be adjusted by the **Inflation Rate** at your next **Anniversary Date**.

Any changes made to the **Lives Assured** or the **Cover(s)** which occur after the issue of this policy will be detailed in **Endorsement Schedules** and/or confirmation letters which will be sent to you by **Cigna** immediately following **Cigna's** acceptance of those changes. **Cigna** recommends that you keep any such **Endorsement Schedules** and letters together with this policy document to ensure that you hold an accurate record of your policy at any given time.

4.3 Claims

The first step in any claims procedure is to notify your adviser and **Cigna** immediately when an event occurs that may result or is likely to result in you making a claim. **Cigna** will then advise you of the information that is required to progress your claim and also what process will be followed for the assessment and acceptance of the claim.

The information that may be required for a claim under each different type of **Cover** is detailed in the Protection Benefit Sheets contained at the back of this policy document.

Cigna may require information from another person in order to progress the claim. In those circumstances, we can ask you to help us obtain what is required.

Where this policy document refers to:

- a medical practitioner or **Specialist** approved by, or acceptable to, **Cigna**;
- the information or evidence required by **Cigna** to assess a claim;
- **Cigna's** acceptance of any information or evidence in relation to the assessment of a claim; or
- **Cigna** forming an opinion, or being satisfied, as to whether the relevant criteria for a claim have been satisfied,

Cigna will act reasonably in relation to the approval or acceptance of that medical practitioner or **Specialist**, the information or evidence it requires, its acceptance of that information or evidence and in forming any such opinion (as the case may be).

5. Information and Non-Disclosure

5.1 Cigna Relies on Information Provided

Cigna relies on the information given to **Cigna** and your adviser by, or on behalf of, you and the **Lives Assured** to make a decision as to whether to accept the application, the premium payable, the terms and conditions, the types of **Cover(s)**, the **Lives Assured**, and the sums insured. This also applies when you request a change to the policy.

It is important that you and the **Lives Assured**, and anyone else giving information on your or their behalf, tell **Cigna** and your adviser about everything you and they know (or ought to know) which might influence **Cigna's** assessment and acceptance of your application. **Cigna** and your adviser also need to be told if there are any changes to this information before the **Commencement Date** or before any change to the policy takes effect.

5.2 Information True, Correct and Complete

All information given by, and on behalf of, you and the **Lives Assured** to **Cigna** and your adviser must be true, correct and complete. This includes information given in a claim and in support of a claim.

5.3 Avoidance for Untrue, Incorrect or Incomplete Information

If you, or any of the **Lives Assured**, or anyone on your or their behalf:

- failed to disclose information that would have been material to **Cigna's** assessment and acceptance of this policy prior to or at the **Commencement Date** of this policy; or
- failed to disclose material information prior to, or at the effective date of, any changes that you request to the policy;
- (if the policy includes a Life Cover) provided information that was substantially untrue or incorrect, was material to **Cigna** and was made either:
 - i) fraudulently; or
 - ii) within a period of three (3) years immediately before the date on which **Cigna** decide that such information was material to the risk or the date of death of the **Life/Lives Assured** whichever is the earlier;
- (if the policy does not include a Life Cover) provided information that was substantially untrue or incorrect and was material to **Cigna**; or
- make a dishonest claim, or a dishonest statement in support of a claim

then **Cigna** has the right to avoid the policy from the **Commencement Date**. If the policy is avoided, **Cigna** is also entitled to retain all premium paid, recover any claims that have been paid and recover from you all costs and expenses incurred by **Cigna** (in excess of the premium paid) in connection with the policy and the claim.

5.4 Other Remedies for Untrue, Incorrect or Incomplete Information

If you, or any of the **Lives Assured**, or anyone on your or their behalf provided information to **Cigna** or your adviser that was untrue, incorrect or incomplete and that was material to **Cigna**, then **Cigna** has the right, at its sole option, to take one or more of the following actions it reasonably deems necessary:

- in relation to the **Life Assured** to whom the information related:
 - immediately remove the **Life Assured** from being further covered under the policy;
 - not pay any claims which had already been made, or which could have been made, at the time the information is determined by **Cigna** as being untrue, incorrect or incomplete;
 - immediately change the terms and conditions of the policy by altering or removing from the policy the **Cover(s)** for the **Life Assured**;
 - immediately change the terms and conditions of the policy by excluding from **Cover** the subject matter of the true, correct and complete information that **Cigna** was not told so that a claim cannot be made in the future by the **Life Assured** which is in any way connected to that information; or
 - decline and not pay the claim.
- recover from you all costs and expenses incurred by **Cigna** in connection to the policy and the claim.
- retain the premiums paid.
- immediately increase the **Total Premium** (as determined solely by **Cigna**) to take into account the risk of increased costs and expenses in assessing and administering the policy and claims, any increased moral hazard and any increased risk of a claim(s) being made and the amount of any claim(s).
- Immediately cancel the policy and recover claims paid where **Cigna** relied on incorrect, untrue or incomplete information.

6. Protection Premiums

6.1 Premium Payments

You are required to pay the **Protection Premium** on the basis set out in the **Policy Schedule** in respect of each **Cover Term**.

6.2 Premium Review Structure

Premiums will change at the end of each premium review period.

We will recalculate premiums for each **Cover** at the end of each premium review period specified in your **Policy Schedule** according to your age and the sums insured at the time.

You can choose one (1) of the following premium review periods:

- 1 Year;
- 5 Year;
- 5 Year 5% Stepped;
- 10 Year;
- To Age 65;
- To Age 80.

Set out below is an explanation of how the premium review period specified in the **Policy Schedule** affects your **Protection Premium**:

1 Year

Where a 1 Year premium review period has been selected, we will recalculate your **Protection Premium** at each **Anniversary Date** (assuming your policy remains in force) based on the **Life Assured's** age, the sum insured and, if applicable, as a result of Clause 6.3 (Underlying **Protection Premium** Rates), Clause 6.4 (**Inflation**) or Clause 6.5 (Legislation).

The premium amount payable changes as your age increases.

5 Year

Where a 5 Year premium review period has been selected, your **Protection Premium** will remain at the same level over the five (5) year period until your premium review date (assuming your policy remains in force). This means that the **Protection Premium** will not change until each fifth (5th) policy **Anniversary Date** (assuming your policy remains in force) unless:

- you alter your **Cover(s)** part way through a premium review period;
- the change is a result of Clause 6.3 (Underlying **Protection Premium** Rates), Clause 6.4 (**Inflation**) or Clause 6.5 (Legislation).

5 Year 5% Stepped

Where a 5 Year 5% Stepped premium review period has been selected, your **Protection Premium** will increase by 5% on each **Anniversary Date** for five (5) years (assuming your policy remains in force) until your premium review date. This means that the **Protection Premium** will only increase by a fixed rate of 5% each year until each fifth (5th) policy **Anniversary Date** (assuming your policy remains in force) unless:

- you alter your **Cover(s)** part way through a premium review period;
- the change is a result of Clause 6.3 (Underlying **Protection Premium** Rates), Clause 6.4 (**Inflation**) or Clause 6.5 (Legislation).

10 Year

Where a 10 Year premium review period has been selected, your **Protection Premium** will remain at the same level over the ten (10) year period until your premium review date (assuming your policy remains in force). This means that the **Protection Premium** will not change until each tenth (10th) policy **Anniversary Date** (assuming your policy remains in force) unless:

- you alter your **Cover(s)** part way through a premium review period;
- the change is a result of Clause 6.3 (Underlying **Protection Premium** Rates), Clause 6.4 (**Inflation**) or Clause 6.5 (Legislation).

To Age 65

Where a “to age 65” premium review period has been selected, the underlying **Protection Premium** rates will not change until the **Anniversary Date** immediately following the **Life Assured**’s sixty-fifth (65th) birthday (assuming your policy remains in force). From and including the **Anniversary Date** immediately following the **Life Assured**’s sixty-fifth (65th) birthday (assuming your policy remains in force), the underlying **Protection Premium** rate will change every year on the **Anniversary Date**. The change in the **Protection Premium** will be based upon the **Life Assured**’s age as well as **Cigna**’s underlying **Protection Premium** rates at the time.

To Age 80

Where a “to age 80” premium review period has been selected, the underlying **Protection Premium** rates will not change until the **Anniversary Date** immediately following the **Life Assured**’s eightieth (80th) birthday (assuming your policy remains in force). From and including the **Anniversary Date** immediately following the **Life Assured**’s eightieth (80th) birthday (assuming your policy remains in force), the underlying **Protection Premium** rate will change every year on the **Anniversary Date**. The change in the **Protection Premium** will be based upon the **Life Assured**’s age as well as **Cigna**’s underlying **Protection Premium** rates at the time.

6.3 Underlying Protection Premium Rates

Premiums can change as a result of a change in underlying **Protection Premium** rates.

Covers with premium rates that are not guaranteed may be subject to a change in underlying **Protection Premium** rates at any time.

Cigna guarantees the underlying **Protection Premium** rates for some **Covers**.

The table following identifies the **Covers** and premium review periods that have guaranteed underlying **Protection Premium** rates and will not be subject to a premium increase as a result of an increase in underlying **Protection Premium** rates until the end of the premium review period.

Premium Review Periods						
COVER	1 Year	5 Year	5 Year 5% Stepped	10 Year	To Age 65	To Age 80
Life Cover	Not Guaranteed	Guaranteed	Guaranteed	Guaranteed	Guaranteed	Guaranteed
Life Income Cover	Not Guaranteed	Guaranteed	Guaranteed	Guaranteed	N/A	N/A
Complete Disablement Cover	Not Guaranteed	Guaranteed	Guaranteed	Not Guaranteed	N/A	N/A
Trauma Cover	Not Guaranteed	Guaranteed	Guaranteed	Not Guaranteed	N/A	N/A
Income Cover	Not Guaranteed	Not Guaranteed	Not Guaranteed	Not Guaranteed	N/A	N/A
Mortgage Repayment Cover	Not Guaranteed	N/A	N/A	N/A	N/A	N/A
Premium Cover	Not Guaranteed	N/A	N/A	N/A	N/A	N/A

6.4 Inflation

Premiums will change as a result of the **Inflation Rate**.

If you have chosen to have any of your **Cover(s)** adjusted by the **Inflation Rate**, then on each **Anniversary Date** your **Protection Premium** will increase accordingly (assuming your policy remains in force). You will be notified of the new sum insured and premiums at least thirty (30) days before the **Anniversary Date** and your **Total Premium** will automatically increase on the **Anniversary Date** (assuming your policy remains in force).

You can write to **Cigna** if you do not want the amount under the relevant **Cover(s)** to be adjusted by the **Inflation Rate** for a particular year.

If a monthly claim is being paid on a relevant **Cover** which is chosen to be adjusted by the **Inflation Rate**, your claim payments and **Protection Premium** will be adjusted accordingly.

6.5 Legislation

Premiums can change as a result of legislation.

Cigna may change your **Protection Premium** if any legislation alters, increases or adds any tax or charge to this type of insurance.

6.6 Thirty Day Notice

Cigna will give no less than thirty (30) days' notice in writing to the **Policy Owner(s)** of any changes to the premium.

7. Policy Fee

Cigna charges you a policy fee, which forms part of your **Total Premium**. The policy fee is used to cover the on-going administration costs of your policy. The policy fee payable under this policy is outlined in the **Policy Schedule**. **Cigna** may change this policy fee from time to time. If this occurs **Cigna** will notify you of the new policy fee payable under this policy and your **Total Premium** will be adjusted accordingly with effect from the **Anniversary Date** (assuming your policy remains in force).

8. Your Total Premiums

8.1 Amount and Frequency

The **Total Premium** payable is the sum of your **Protection Premium** and your policy fee. The due date for the first **Total Premium** payment and the frequency at which **Total Premium(s)** are then to be paid are detailed in the **Policy Schedule**.

The duration of cover under your policy is linked to the frequency with which you have chosen to pay the **Total Premium** due. For example, if you choose to pay monthly, you will receive cover for a period of one month. You have the right to renew your policy for further periods by payment of the **Total Premium** due for those further periods. For example, if you choose to pay monthly, you may renew your policy for a further month by payment of the **Total Premium** due for that further month. However, cover under your policy will always cease at the end of your **Cover Term**.

You can apply to **Cigna** to change the frequency at which you pay your **Total Premium**. **Cigna** recommends you do so in consultation with your adviser. The effective date of any change in frequency of your **Total Premium** payments will depend on the new payment frequency you have chosen. **Cigna** will advise you of the effective date of the change, the new **Total Premium** payable and the next **Premium Due Date**.

8.2 Method of Paying Premiums

Cigna prefers you to pay all regular **Total Premium(s)** into **Cigna's** nominated bank account either by direct debit or by credit card transfer. **Cigna** will not accept cash as a method of paying premiums.

8.3 Missed Premiums

Notwithstanding the term of the policy being linked to the frequency with which you pay the **Total Premium** due, if your **Total Premium** is unpaid on the **Premium Due Date**, the policy will remain in force for a period of thirty-one (31) days after the unpaid premium fell due. If the **Total Premium** remains unpaid after the thirty-one (31) day period, the policy will terminate and all **Cover(s)** will cease immediately. **Cigna** will write to you and inform you of this. If you wish to reinstate the policy, you will need to contact **Cigna** or your adviser who can assist you with this process. **Cigna** may, at its sole

discretion, either accept or decline any application to reinstate the policy.

Any **Total Premiums** that are unpaid when **Cigna** makes a claim payment under this policy will be automatically deducted from the claim payment by **Cigna**.

Provided that your policy has not been terminated under this Clause, you agree that any **Total Premium** that has not been paid by the relevant **Premium Due Date** may be debited at the next **Premium Due Date** together with any other amounts that are due at that **Premium Due Date**.

8.4 Suspension of Cover

Once your policy has been in force for at least three (3) months you will be eligible to apply for a **Suspension of Cover Period** under this Clause 8.4 (Suspension of Cover). **Cigna** recommends you seek advice from your adviser before applying for a **Suspension of Cover Period**.

Cigna will apply a **Suspension of Cover Period** to your policy for the relevant term as specified below, if you apply and satisfy the criteria for any of the following circumstances:

Financial hardship:

If **Cigna** is satisfied that you are suffering from **Financial Hardship**, then a **Suspension of Cover Period** of three (3) months will apply to your policy from the date that **Cigna** accepts your application.

Employer-approved leave:

If **Cigna** is satisfied that you are on employer-approved leave (such as leave without pay, sabbatical leave or parental leave for three (3) consecutive months or longer), then a **Suspension of Cover Period** for a term determined by **Cigna** at its discretion, but for not less than three (3) months and not more than twelve (12) months, will apply to your policy from the date that **Cigna** accepts your application.

Residing or travelling overseas:

If **Cigna** is satisfied that you are residing or travelling outside of New Zealand for more than three (3) consecutive months, then a **Suspension of Cover Period** for a term determined by **Cigna** at its discretion, but for not less than three (3) months and not more than twelve (12) months, will apply to your policy from the date that **Cigna** accepts your application.

The application for a **Suspension of Cover Period** must be accompanied by evidence of the relevant criteria.

If a **Suspension of Cover Period** or Parental Leave Loyalty Benefit (Clause 8.5) applies to your policy, you are not permitted to apply for another **Suspension of Cover Period** until a period of twelve (12) months have elapsed from the date on which your previous **Suspension of Cover Period** ended.

Neither you nor any **Life Assured** may make any claims during any **Suspension of Cover Period**. Neither you nor any **Life Assured** will be covered for any **Illness, Injury** or condition (including signs, symptoms or diagnosis of such **Illness, Injury** or condition) that occur or arise for the first time during any **Suspension of Cover Period**.

The maximum aggregate term for all **Suspension of Cover Periods** that can apply to this policy is twenty-four (24) months. Premium arrears outstanding prior to the **Suspension of Cover Period** will be payable once cover has recommenced at the end of the **Suspension of Cover Period**.

8.5 Parental Leave Loyalty Benefit

If you, your wife, your partner, **Civil Union** partner or de facto partner gives birth to or legally adopts a child, you may apply for the premiums relating to the **Life Assured** on parental leave to be suspended under the Parental Leave Loyalty Benefit, provided that:

- your policy has been in force for at least three (3) consecutive **Policy Years**; and
- your policy is current and your **Total Premiums** are not in arrears; and
- your application under this Clause 8.5 (Parental Leave Loyalty Benefit) is made within one (1) year of the date of that child's birth or legal adoption.

Only one (1) Parental Leave Loyalty Benefit will apply per birth or legal adoption.

You will be entitled to one (1) month's suspension of premiums for every full and consecutive **Policy Year** that your policy has been in force up to a maximum of twelve (12) months. For example, four (4) consecutive **Policy Years** of cover allows you four (4) consecutive months' suspension of premiums under the Parental Leave Loyalty Benefit.

The application for a suspension of premiums under this Parental Leave Loyalty Benefit must be accompanied by evidence of the birth or legal adoption of your child.

No cover will be provided for the **Life Assured** for any mental disease, mental **Illness**, mental disorder or psychiatric condition directly or indirectly related to pregnancy or the birth of your baby, where the signs, symptoms or diagnosis occurred during the period in which the premiums were suspended under the Parental Leave Loyalty Benefit.

Premiums suspended under both the Parental Leave Loyalty Benefit and under Clause 8.4 (Suspension of Cover) will be limited to a total combined maximum of twenty-four (24) months' premiums under this policy.

If a Parental Leave Loyalty Benefit or **Suspension of Cover Period** (Clause 8.4) applies to your policy, you are not permitted to apply for another Parental Leave Loyalty Benefit until at least twelve (12) months have elapsed from the date that your previous Parental Leave Loyalty Benefit or **Suspension of Cover Period** ended.

Any increase in premium as a result of an increase in cover during the suspension of premiums period will need to be paid by you (this excludes an increase in cover as a result of inflation).

The suspension of premiums under this Parental Leave Loyalty Benefit will take effect from your next **Premium Due Date** and will not be backdated or applied retrospectively.

9. Policy Ownership

9.1 Claim Payments

The proceeds of any claim payments made by **Cigna** will be paid to you or to any other party to whom you have instructed **Cigna** in writing to pay the claim proceeds.

9.2 Death of a Policy Owner

If you are an individual then, in the event of your death ownership of this policy will pass to your estate.

If you are a group of individuals then on the death of any one of you, ownership of this policy will pass to the survivors as joint tenants. On the death of the last one of your group, ownership of this policy will pass to that person's estate.

9.3 Policy Alterations

You may make alterations to your policy, including changes to the **Cover(s)** or alterations to the **Total Premium**, by giving written notification to **Cigna** signed by the **Policy Owner(s)**. If your policy is owned by two (2) or more individuals, then the written authorisation of all **Policy Owners** is required. It is particularly important to note that in the event of an estrangement of joint **Policy Owners**, the written consent of each **Policy Owner** will still be required to effect any policy alteration.

9.4 Changing Ownership

To change ownership of this policy you must complete a Memorandum of Transfer form. You can request a form from **Cigna** directly or you can access one on its website at www.cigna.co.nz.

All current **Policy Owners** must authorise the change of ownership and the new **Policy Owner(s)** must agree to this transfer before the change of ownership can be processed. **Cigna** will not recognise any change of ownership of this policy until the correctly completed Memorandum of Transfer is received and registered by **Cigna**.

10. Cancelling This Policy

10.1 Free Look Period

If you decide that this policy is not suitable for your needs, then you can cancel the policy by giving **Cigna** written notification, signed by the **Policy Owner(s)**, of your wish to cancel within thirty (30) days of the date that **Cigna** sent this policy document to you (referred to as the "Free Look Period"). **Cigna** recommends that you discuss your decision with your adviser first. Provided **Cigna** receives your written notification within the Free Look Period, then the policy will be cancelled from the outset and all premiums paid by you will be refunded by direct credit into your bank account.

Your right to cancel the policy within the Free Look Period will cease at the time you make any claim under the policy.

10.2 Outside the Free Look Period

You can cancel this policy by giving notice in writing to **Cigna** at any time. **Cigna** recommends that you discuss your decision with your adviser first. Upon receiving your written notification signed by the **Policy Owner(s)**, **Cigna** will write to you to confirm the effective date of cancellation of your policy and the Covers will cease from that date.

The effective date of cancellation will depend on the frequency with which you pay your **Total Premium**:

Monthly (or more frequent) Premiums

Unless **Cigna** advises otherwise, for policies whose **Total Premium** is payable monthly (or more frequently than monthly) **Cigna** will treat the policy as cancelled with effect from the **Premium Due Date** which follows the date on which **Cigna** receives your notice of cancellation (provided such notice is received no less than three (3) **Business Days** prior to that **Premium Due Date**). You will remain liable for any **Total Premium** outstanding at the effective date of cancellation.

Half-Yearly or Annual Premiums

Unless **Cigna** advises otherwise, for policies whose **Total Premium** is payable less frequently than monthly (e.g. half-yearly or annually) **Cigna** will treat the policy as cancelled with effect from the date which **Cigna** notifies to you in writing following receipt of your notice of cancellation. The date notified to you will be the date of, or a date shortly after, **Cigna's** receipt of your notice of cancellation.

Unless you have paid in advance your **Total Premium**, or any part of it, beyond the effective date of cancellation of your policy, no refunds of premium will be payable by **Cigna**.

Cigna may only cancel this policy by notice in writing to you, without your agreement, in the circumstances described in Clause 5.3 (Avoidance for Untrue, Incorrect or Incomplete Information) or 5.4 (Other Remedies for Untrue, Incorrect or Incomplete Information) of this policy document.

11. Miscellaneous

11.1 Law

The laws of New Zealand govern this policy.

If changes in the law or its interpretation occur after the **Commencement Date** that affect **Cigna's** liability for tax or the way in which the terms of this policy may be interpreted, then **Cigna** reserves the right to change any provisions of the policy that it reasonably considers necessary by notice in writing to you.

11.2 Notices

All notifications to **Cigna** regarding this policy must be made in writing and signed by you.

The address for these notifications is:

Cigna Life Insurance New Zealand Limited
Private Bag 92131
Victoria Street West
Auckland 1142

Cigna will send all correspondence to you in writing at the postal address given by you from time to time.

11.3 Worldwide Cover

This policy is valid wherever in the world you may reside or be temporarily located although some **Cover(s)**, such as Redundancy Cover, only provide protection in specified countries. You should refer to the Protection Benefit Sheets relating to the **Cover(s)** you have chosen for any restrictions to this worldwide cover provision.

All payments due to **Cigna** under this policy and all payments made to you by **Cigna** must be made in New Zealand dollars to a bank domiciled in New Zealand.

11.4 Policy Information

Shortly before each **Anniversary Date**, **Cigna** will send you confirmation of the **Total Premium** payable and the **Cover(s)** provided (assuming your policy remains in force).

You may request information about your policy on any **Business Day** by contacting your adviser or **Cigna**.

12. Definitions

Accident

means a violent, external and visible event which results in physical injury to a **Life Assured**.

Activities of Daily Living

means:

- bathing and showering
- dressing and undressing
- eating and drinking
- using a toilet to maintain personal hygiene
- moving from place to place by walking, wheelchair or with the assistance of a walking aid.

Anniversary Date

means the annual anniversary of the policy **Commencement Date**.

Approved Financial Adviser

means a financial adviser who is an Authorised Financial Adviser (AFA).

Business Day

means a day **Cigna** is open for business.

Calculated Mortgage Repayment

means the regular monthly mortgage repayments that would be required to totally repay the **Outstanding Mortgage Debt** by the maturity date of the loan or advance.

The maturity date will be that which was agreed between the **Policy Owner(s)** and the **Lending Institution** on or before the **Business Day** prior to the date that the **Life Assured** first became totally disabled.

Cigna

means Cigna Life Insurance New Zealand Limited and includes its successors in title, permitted assigns and permitted transferees.

Commencement Date

means:

- in relation to the Policy as a whole, the date this policy commences as detailed in the **Policy Schedule** issued on commencement of the policy;
- in relation to a **Cover** or Optional Benefit, the date that **Cover** or Optional Benefit commences for the relevant **Life Assured**.

Congenital Condition

means a medical condition which is recognised at birth, or diagnosed within four months of birth, whether it is inherited or due to external factors such as drugs or alcohol.

Civil Union

means a **Civil Union** as defined in the Civil Union Act 2004.

Cover(s)

means the cover(s) detailed in the **Policy Schedule** which you are entitled to subject to the terms and conditions set out in the Protection Benefit Sheets contained at the back of this policy document.

Cover Term

means the period during which **Cover** is provided as detailed in the **Policy Schedule**. Subject to any renewal the **Cover** will cease when the end of the cover term is reached and the premium payable for that **Cover** will also cease.

Dependant

means a child living with the **Life Assured** at the time of claim who is the son, daughter, or legally adopted child; or a spouse or **Civil Union** partner who is living with the **Life Assured** at the time of claim.

Direct Funeral Costs

means funeral director fees, cremation costs, the cost of flowers for any related service, the cost of death notices and plot fees.

Endorsement Schedule

means a written document prepared by **Cigna** and issued to you which changes a term, condition, **Cover**, benefit, exclusion or other aspect of your policy from the date stated in the endorsement schedule.

Financial Hardship

in respect of a **Policy Owner**, includes significant financial difficulties that arise because of:

- an inability to meet minimum living expenses; or
- an inability to meet mortgage repayments on his or her principal family residence resulting in the mortgagee seeking to enforce the mortgage on the residence; or
- the cost of modifying a residence to meet special needs arising from a disability of the **Policy Owner**, or the **Policy Owner's Dependant**; or

- the cost of medical treatment for an **Illness** or **Injury** of the **Policy Owner**, or the **Policy Owner's Dependant**; or
- the cost of palliative care for the **Policy Owner**, or the **Policy Owner's Dependant**; or
- the cost of a funeral for the **Policy Owner's Dependant**; or
- the **Policy Owner** suffering from an **Illness, Injury** or disability that results in the **Policy Owner** being **Partially Disabled** or **Permanently Disabled**.

Fixed Term Employment

has the meaning given to that term in the Employment Relations Act 2000 (as amended or re-enacted).

Full-time Care

means having primary responsibility and actively undertaking, whether shared or alone, the day-to-day care of persons who cannot safely take care of themselves without supervision.

Full-time Employment

means permanent employment for salary or wages by a single employer on a permanent basis for remuneration for at least twenty-five (25) hours, or more, per week.

Gainful Occupation

means either:

- being an employee, working for salary, wages, commission or other remuneration; or
- being self-employed, working in a business or professional practice in a way that is capable of generating income for the business or professional practice.

Health Loading

means an additional premium added on top of the standard premium rate payable by the **Policy Owner** in order to mitigate the **Life Assured's** higher-than-usual insurable risk.

Illness

means a sickness or injury that is suffered by a **Life Assured** and which has not been caused by an **Accident**.

Inflation Rate

means the Consumer Price Index (all groups) issued by the government statistician for each year ending 30 September.

Injury

means an illness or injury that is suffered by a **Life Assured** and which has been caused by an **Accident**.

Lending Institution

means a registered bank or other lender approved by **Cigna**.

Life Assured

means the **Life Assured** named in the **Policy Schedule**, and **Lives Assured** has the corresponding meaning.

Monthly Income

means the income earned each month by the **Life Assured**'s own personal exertion, after deducting their share of expenses incurred in earning that income gross of tax.

Monthly income includes:

- salary
- wages
- packaged fringe benefits
- super contributions/ Kiwisaver contributions

If the **Life Assured** qualifies for bonuses or overtime, these will be included in accordance with **Cigna**'s underwriting philosophy at the time of claim.

If the **Life Assured** is self-employed, for example, as a sole trader or as a partner in a business, monthly income also includes the **Life Assured**'s share of the profit or loss of the business derived from their personal exertion (after deduction of all business expenses gross of tax)

Business expenses will not include the cost of any person employed or otherwise contracted to perform the duties the **Life Assured** would otherwise have performed or any costs incurred in expanding the tasks of any existing employee or contractor to include those duties.

Monthly Income does not include:

- unearned income such as investment income, interest, rental income or proceeds from the sale of assets;
- royalties.

If there is a time delay between the time the **Life Assured** generated the monthly income and when the **Life Assured** actually receives it we will deem the **Life Assured** to have received it in the month they actually generated the income.

Normal Domestic Duties

means the tasks performed by the **Life Assured** whose sole occupation is to maintain the family home. These tasks include cleaning of the home, cooking of meals for their family, doing the family laundry, shopping for the family's groceries and taking care of any **Dependant** relative (where applicable). **Normal Domestic Duties** does not include duties outside the person's home for salary, reward or profit.

Occupation Class

means, in respect of the occupation of a **Life Assured**, the occupation class given to that occupation by **Cigna**.

Original Sum Insured

means the greater of:

- the sum insured at the **Commencement Date**; or
- the sum insured on the most recent **Endorsement Schedule** excluding any increases in cover where no health evidence was provided,

unless the most recent **Endorsement Schedule** shows a decrease in cover in which case the original sum insured is the sum insured on this schedule.

Other Income

means either:

- a) any payments, entitlements or benefits that the **Life Assured** receives or is entitled to receive as a result of the **Illness** or **Injury** causing their disablement, including payments by way of:
 - disability compensation or other entitlement received from the ACC or any other form of compulsory insurance scheme for loss of income: the **Life Assured** must use its best endeavours to pursue any entitlement they have
- other disability or accident insurance cover, including cover under a mortgage replacement policy with any insurer other than **Cigna** or through a superannuation fund,

and/or,

- b) income the **Life Assured** receives or is entitled to receive as a result of their personal exertion, from any business partnership, family trust or company, not including investment income or payments under this policy,

Other Income does not include sick leave payment or welfare payments.

Outstanding Mortgage Debt

means the sum of the principal and interest amounts owed by the **Life Assured** to **Lending Institutions** which were advanced by the **Lending Institutions** for the sole purpose of one or more of the following:

- increasing an existing residential mortgage; or
- purchasing a new home which the **Life Assured** will reside in; or
- purchasing a vacation home; or
- purchasing a bare block of land zoned as residential,

and which were accepted by **Cigna** at the date of application for this policy or the date of increase or alteration of this policy.

If the debt facility is considered by **Cigna**, at its sole discretion, to be a revolving credit mortgage and if, at the date of disability, the mortgage facility has headroom which is available to be drawn down by the **Life Assured(s)**, the outstanding mortgage debt will be considered to be the sum of the principal and interest owed at the date of disability plus the amount of headroom available to the **Life Assured(s)** as at that date.

Part-time Employment

means permanent employment for salary or wages by a single employer on a permanent basis for remuneration for at least fifteen (15) hours, or more, per week but no more than twenty-five (25) hours per week.

Partially Disabled

has the meaning given to that term in the Income Cover Protection Benefit Sheet.

Payment Term

means the maximum period over which any one claim for a **Cover** will be paid as detailed in the **Policy Schedule**.

Per Annum

means per **Policy Year**.

Permanently Disabled

means that an appropriate medical practitioner approved by **Cigna** certifies that the **Life Assured**:

- is unable to carry out at least two (2) of the **Activities of Daily Living**, without the physical assistance of another person; or

- has suffered permanent cognitive impairment of the brain that requires the **Life Assured** to be under on-going continuous supervision by another adult person.

Policy Owner(s)

means the Policy Owner(s) named in the **Policy Schedule**.

Policy Schedule

means the latest issued policy schedule or confirmation of cover, including any special conditions or endorsements.

Policy Year

means the twelve (12) month period between **Anniversary Dates** (or between **Commencement Date** and **Anniversary Date** as the case may be).

Pre-disability Income

For non self-employed means the greater of:

- the average **Monthly Income** earned by a **Life Assured** for the best twelve (12) consecutive calendar months during the previous thirty-six (36) consecutive calendar months immediately prior to the date of disability; or
- the **Monthly Income** earned by a **Life Assured** immediately prior to the date of disability.

For self-employed means:

The average **Monthly Income**, earned by the **Life Assured** for the best twelve (12) consecutive calendar months during the previous thirty-six (36) consecutive calendar months immediately prior to the date of disability.

Pre-disability Occupation

means the occupation in which the **Life Assured** was most recently engaged as their principal source of income from personal exertion before suffering an **Illness** or **Injury** for which a claim is made.

Pre-existing Condition

means a mental or physical condition arising up to twelve (12) months after becoming registered as a **Dependant** relative which in the opinion of **Cigna's** medical advisers resulted directly or indirectly from a condition for which the **Dependant** relative had:

- sought medical advice; or
- been aware of

at any time during the twelve (12) months prior to first becoming registered as a **Dependant** relative under this policy.

Premium Due Date

means the date that the **Total Premium** will fall due based on the **Cover Term** and the **Commencement Date** detailed in the **Policy Schedule**.

Professional Advice

Financial planning advice obtained by the **Policy Owner** from an **Approved Financial Adviser** or legal advice obtained by the **Policy Owner** from a Lawyer, Solicitor, Barrister registered with the Law Society on the Law Society Register.

Protection Premium

means the amount you must pay for the **Covers** you have chosen to include in this policy as detailed in the **Policy Schedule**.

Radical Surgery

means surgery to remove the entire diseased organ.

Receipt of Application

means the date the application or request for increase, was received by **Cigna**. The application form must be fully completed for this date to apply, failing which it will be a date when full details required have been received by **Cigna**.

Redundant

means the involuntary loss of **Full-time Employment** or **Fixed Term Employment** (other than by dismissal, resignation or the natural conclusion of **Fixed Term Employment**) suffered by the **Life Assured** and attributable to the position of employment becoming superfluous to the needs of the employer. Redundancy has a corresponding meaning.

Residential Region

means, in relation to the **Life Assured**, the area that is a fifty (50) kilometre radius from the **Life Assured's** principal place of residence.

Self-employment

means, in respect of a **Life Assured**, employment by a company of which that **Life Assured** (or that **Life Assured's** immediate family) has direct or indirect control, or the **Life Assured** works for himself or herself in the capacity of a self-employed contractor, sole trader, partner in a partnership, or otherwise, for remuneration for at least twenty (20) hours, or more, per week.

Specialist

means any health provider who is a Member or Fellow of an appropriately recognised specialist college and has Medical Council of New Zealand vocational registration in that speciality or the Australian National Association of Medical Specialists registration in that speciality where applicable, acceptable to **Cigna**.

Suspension of Cover Period

means in respect of a **Policy Owner**, a period in respect of which the payment of **Protection Premiums** is not required to be made, and no cover is available in accordance with Clause 8.4 (Suspension of Cover).

Tertiary Education

means an education course which must commence within three years of the dependent child leaving secondary education and must be of at least twelve (12) months' duration. The course must directly lead to a qualification that is approved by the New Zealand Ministry of Education.

Total Premium(s)

means the sum of the **Protection Premium** and policy fee as detailed in the **Policy Schedule**.

Underwritten Sum Insured

means the sum insured on the most recent **Policy Schedule** or **Endorsement Schedule** less the total of any increases in that sum insured as a result of exercising a Life Events Benefit or the Optional Guaranteed Insurability benefit. For the avoidance of doubt, the Underwritten Sum Insured includes all increases in the sum insured as a result of inflation.

Waiting Period

means the specified period that must pass after a disability first occurs before a **Cover** can be paid, as set out in the relevant **Policy Schedule**.

Whole Person Function

means whole person function as determined by the American Medical Association's book Guides to the Evaluation of Permanent Impairment, 6th edition or any subsequent editions.

You/Your/Yours

means the **Policy Owner(s)**.

SAMPLE

Your protection benefit sheets

Your protection benefit sheets list the benefits you get under your covers, and tell you how those benefits work. We've included your benefit sheets in the same information pack along with this policy document. Please take the time to read each sheet carefully.