

Personal Cover - Income Protection Benefit

SECTION A - DEFINED TERMS

DEFINED TERMS

In this **Policy** certain words have particular meanings. These words are in **Bold** and the meanings set out below.

Interpretation

Throughout this **Policy** 'We', 'Our' 'Us' or 'AIA New Zealand' means AIA International Limited - New Zealand Branch, and/or any related and/or authorised companies and/or agents (including company officers acting in the scope of their authority). 'You' or 'Your' means the **Policy Owner(s)**.

Benefit(s)

Means the **Benefit** specified in the **Policy Schedule** (and subject to the terms and conditions of this **Policy**).

Capable of Earning

Means the **Life Assured's Income**, or the amount of **Income** the **Life Assured** is capable of earning while **Partially Disabled**, as determined by **Us** after an assessment of present and likely capabilities.

Civil Union

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

Consumer Price Index Increase

Means any increase in the index published by the Statistics Department of New Zealand for "All Groups" as at 30 September each year (or the nearest equivalent index should this index be replaced).

Criminal Act

Means participation in an action that constitutes an offence under the Crimes Act 1961, whether or not a charge has been entered against the life assured and whether or not a conviction results.

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.

Life Assured

Means the **Life Assured** or **Lives Assured** listed in **Your Policy Schedule**.

Manifested

Means that symptoms have arisen which cause an ordinarily prudent person to seek diagnosis, care or treatment, or that medical advice or treatment has been recommended by or received from a **Medical Practitioner**.

Marriage

Means a **Marriage** as defined in the Marriage Act 1955.

Medical Practitioner

Shall mean any person approved by **Us** registered with the Medical Council of New Zealand to render medical or surgical services, and who holds an Annual Practising Certificate. For diagnoses made outside New Zealand, this definition covers any appropriately qualified medical professional approved by **Us**. This definition excludes any person who is himself/herself the **Life Assured**, the **Policy Owner**, the spouse, de facto spouse, **Civil Union** partner, lineal relative, or business partner/associate of the **Life Assured** or **Policy Owner**.

Policy

Means this contract of insurance between **You** and **Us**. It includes the following parts:

- **Your** application for insurance; and
- this **Policy** wording; and
- the **Policy Schedule**; and
- any addendum to the **Policy Schedule**; and
- any other written notice that **We** give **You**; and
- any written notice that **You** give **Us**.

Policy Anniversary Date

Means the anniversary of the **Policy Commencement Date**.

Policy Commencement Date

Means the commencement date of the **Policy** as specified in **Your Policy Schedule**.

Policy Owner

Means the **Policy Owner** identified in the most recent **Policy Schedule** issued to **You** by **Us**.

Policy Schedule

Means the most recent **Policy Schedule** issued to **You** by **Us**, including any endorsements or special conditions.

Policy Year

Means the twelve (12) month period which starts from the **Policy Commencement Date** and ends on the **First Anniversary Date**. Each subsequent **Policy Year** is from **Policy Anniversary Date** to **Policy Anniversary Date**.

Premium

Means the **Premium** specified in **Your Policy Schedule** or in any subsequent notice issued to **You** by **Us**.

Premium Guarantee Period

Means the period of time specified in **Your Policy Schedule** during which the **Premium Rates** applicable to **Your Policy** are guaranteed not to increase.

Premium Rates

Means the underlying **Premium Rates** **We** use to calculate **Your Premium** based on factors including the age, health, occupation and circumstances of the **Life Assured**.

Sum Assured

Means the **Sum Assured** for the **Benefit(s)** as set out in **Your Policy Schedule**.

Total Premium

Means the sum of the **Premium** and policy fee together with any applicable GST as specified in **Your Policy Schedule**.

Usual Occupation

Means, the occupation predominately performed by the **Life Assured** in the 12 months prior to the sickness or injury.

If the **Life Assured** has been unemployed or on long service, maternity leave, paternity leave or leave without pay for more than 12 consecutive months immediately prior to the sickness or injury causing **Disability**, **Usual Occupation** will be deemed to mean any occupation for which the **Life Assured** is reasonably suited by way of education, training or experience.

SECTION B - INCOME PROTECTION BENEFIT FEATURES

JURISDICTION AND CURRENCY	1		The laws of New Zealand apply to this Policy . The New Zealand courts have exclusive jurisdiction. All monetary amounts referred to in this Policy are expressed and payable in New Zealand dollars and include GST.
RESPONSIBILITY FOR TRUTHFULNESS	2	A	<p>When You apply for insurance with AIA New Zealand, You have a legal duty of disclosure to AIA New Zealand. This means that:</p> <ol style="list-style-type: none"> 1. All the statements that You make to AIA New Zealand (both written and oral) including the answers in: <ol style="list-style-type: none"> a. the application; b. any claim made by You; c. any other communication by You with AIA New Zealand; must be true and correct; and 2. You must disclose everything that You know, or could reasonably be expected to know, that is relevant to AIA New Zealand's decision whether: <ol style="list-style-type: none"> a. to accept Your application for insurance; and b. if AIA New Zealand accepts Your application then on what terms AIA New Zealand will accept it and how much it will cost; or c. to accept Your claim on the insurance Policy. 3. This duty of disclosure continues from the time You complete the application until either: <ol style="list-style-type: none"> a. the Policy Commencement Date or the date AIA New Zealand accepts Your application for insurance, whichever is later; or b. AIA New Zealand declines Your application for insurance. 4. You also have the same duty of disclosure to AIA New Zealand at the time that You extend, vary or reinstate Your insurance, and at any time when You make a claim on the Policy of insurance or otherwise communicate with AIA New Zealand. <p>IMPORTANT</p> <p>If You do not comply with Your duty of disclosure, and AIA New Zealand would not have accepted Your application for insurance on the same terms or at the same Premium if You had made full disclosure, then AIA New Zealand may at its discretion do any or all of the following:</p> <ol style="list-style-type: none"> 1. Decline any claim that You make; 2. Alter the terms of any benefits under the Policy; 3. Remove any benefits under the Policy; 4. Void Your insurance from inception; 5. Retain all Premiums, policy fees and recover any benefits paid; 6. Terminate this Policy. <p>If You are not sure whether You are to disclose a particular fact, please ask AIA New Zealand or Your Insurance Adviser.</p> <p>B If the age of the Life Assured was misstated in the Application the amount payable under this Policy will be such as the Premiums would have purchased on the basis of the correct age.</p>

PREMIUM RATES	3	No increase in Premium Rates will apply to this Policy as a result of change in the health, occupation or circumstances of the Life Assured . However, We have the right to review at any time and from time to time the Premium Rates and handling fees applicable to all Income Protection policies and to apply the reviewed rates and fees to this Policy at the commencement of the next Premium Guarantee Period .
PREMIUM PAYMENTS	4	<p>With Our agreement the annual Total Premium may be paid by equal fortnightly, monthly, quarterly or half-yearly instalments but with such handling fees as We shall determine from time to time. We may cancel this arrangement at any time in respect of future Total Premiums.</p> <p>The Policy Owner may apply to Us to change the Premium or Benefits attributable to this Policy. Subsequent to this, We may change the Premium and/or alter any Benefits under this Policy in accordance with this instruction.</p>
POLICY FEE	5	We will charge You a policy fee, which forms part of Your Total Premium . The policy fee is used to pay the ongoing administration costs of this Policy . The policy fee is specified in Your Policy Schedule . We may change this policy fee from time to time. If this occurs any such change will be notified to You in writing.
PERIOD OF ASSURANCE	6	<p>The term of this Policy and the period of assurance covered by each annual Total Premium, or instalment of annual Total Premium, terminate on the due date of the next annual Total Premium or instalment. A thirty (30) day grace period is allowed after the due date for payment of each Total Premium.</p> <p>This Policy will automatically terminate if the Total Premium is not paid before the expiration of the grace period. In such an instance this Policy can be reinstated subject to:</p> <ul style="list-style-type: none"> • Our consent; and • such evidence of continued good health of the Life Assured as We may require; and • the payment of all Total Premiums in arrears together with such interest thereon as We may decide. <p>We may vary Your Benefits, charge additional Premiums or not allow You to reinstate the Policy if the health, occupation, financial position or pastimes of the Life Assured have changed.</p>
CLAIM PROCEDURE	7	<p>A Written proof of Total Disability (as defined in Clause One (1) "Total Disability" under Section D below) acceptable to Us must be given to Us within thirty (30) days after the Life Assured becomes Totally Disabled.</p> <p>B If the Life Assured does not provide written proof satisfactory to Us within that time, the Waiting Period may be deemed by Us to have commenced no earlier than thirty (30) days before We received written proof.</p>

- C** Any expense incurred in providing due proof of the existence of a claim or of **Income** shall be borne by the **Life Assured**.
- D** **We** shall have the right and opportunity to call for an examination of the **Life Assured** by any **Medical Practitioner** or appropriately qualified health professional of **Our** choice at **Our** expense as often as **We** may reasonably require both during the initial assessment of a claim and during any ongoing claim.
- E** If **You** have selected an Indemnity Contract the **Life Assured** shall provide to **Us** full details of the **Life Assured's Income** prior to and at the time of a claim and of the **Life Assured's Income** as reasonably required by **Us**. Such proofs shall be in a form acceptable to **Us** and may include statements from an employer, bank statements, income tax returns and accounts reports.
- F** If the **Life Assured** suffers personal injury or sickness for which there is or may be cover under the Injury Prevention, Rehabilitation and Compensation Act 2001 (known as ACC) and any statutory re-enactment or modification thereof, the **Life Assured** must have taken all reasonable steps to pursue a claim to the Accident Rehabilitation and Compensation Insurance Corporation for compensation before any claim under this **Policy** will be considered by **Us**.
- G** If the **Life Assured** suffers personal injury or sickness which is as a result of or in any way caused by any other person or party, then **We** shall be entitled at **Our** expense and in the name of the **Life Assured** to take any proceedings necessary to obtain recovery from any other party. The **Life Assured** must provide all reasonable assistance and co-operation in the prosecution of the claim.
- H** Responsibilities during claims assessment and while in receipt of Income Protection **Benefits**:
1. Undergo assessment of present and likely capabilities for the purposes of rehabilitation, at the expense of **AIA New Zealand**.
 2. Follow the advice of the treating **Medical Practitioner**, including recommended courses of treatment and rehabilitation.
 3. Co-operate with **AIA New Zealand** in the development and implementation of a rehabilitation plan in order to endeavour to terminate or reduce the extent of any disability, impairment or incapacity.
 4. The **Life Assured** must notify **AIA New Zealand** before he or she returns to any work, paid or unpaid, in any capacity.

5. The **Life Assured** must advise **AIA New Zealand** immediately if they increase work hours or receive an increase in pay or receive any other **Income**, including sick pay that may affect the **Benefit** amount.
6. If any of these responsibilities are not met when reasonably required by **AIA New Zealand**, **We** have the right to either suspend claim payments or decline **Your** claim.
 - a. **AIA New Zealand** must give the **Life Assured** written notice of any proposed suspension not less than thirty (30) days before the proposed suspension date.
 - b. **AIA New Zealand** may decline to provide any **Benefit** for as long as the **Life Assured** unreasonably fails to comply with any requirement of the terms and conditions relating to the **Life Assured's** claim or fails to meet their responsibilities outlined above.

We also have the right to recover overpayments from **You**, if these responsibilities are not met.

FORFEITURE OF PREMIUMS	8	If this Policy is avoided or is terminated under any of the terms and conditions of this Policy , all Total Premiums paid shall be absolutely forfeited to Us .
TERMINATION	9	<p>Unless previously terminated, this Policy shall terminate on the earliest of:</p> <p>A The anniversary of the Policy Commencement Date following the Life Assured attaining the age of sixty-five (65) or the age of seventy (70) depending on the age specified in the Policy Schedule regardless of whether a claim is being paid; or</p> <p>B Written notification of cancellation from You to Us at any time; or</p> <p>C The Death of the Life Assured; or</p> <p>D Non-payment of Total Premium as set out in Clause 6 "Period of Assurance" above.</p>
WORLDWIDE COVER	10	Cover under this Policy applies twenty-four (24) hours a day, anywhere in the world. If You are overseas during the period of a claim, Benefits will be paid in New Zealand currency.

ENTIRE CONTRACT	11	<p>This Policy is the entire contract of insurance between You and AIA New Zealand. It comprises the following parts:</p> <ul style="list-style-type: none"> • Your application for insurance; and • this Policy wording; and • the Policy Schedule; and • any other written notice that AIA New Zealand gives You; and • any written notice that You give Us.
TAX CHANGES	12	<p>In the event of any changes in taxation after the Policy Commencement Date which affects the Benefits or Our liability, We may make such amendments or modifications to the Premium and Benefits and this Policy as We consider appropriate.</p>
DISABILITY BENEFITS WHERE MORE THAN ONE (1) LIFE ASSURED	13	<p>If there is more than one (1) Life Assured shown in the Policy Schedule, We will pay the Income Protection Benefits for each Life Assured. The amount of the Benefit payable for a Total Disability will be the Benefit payable for that person under this Policy. This Policy will end when all Assured Lives have suffered a Total Disability and to the extent an Income Protection Benefit is payable in respect to each of them, that Benefit has been paid.</p>
GENERAL	14	<p>A This Policy does not participate in bonus distributions or acquire a cash surrender, loan or maturity value.</p> <p>B Where this Policy refers to an Act of Parliament, this includes any Regulations made under it. It also includes any Act or Regulations enacted in substitution.</p> <p>C Your life insurance Policy is part of the AIA New Zealand Statutory Fund, effective 1st September 2013. This is a requirement under the Insurance (Prudential Supervision) Act 2010, for policyholder protection.</p>
FREE LOOK PERIOD	15	<p>To enable You to consider the Policy in detail You will have a free look period of fourteen (14) days after You receive Your Policy document. During this period, if You decide that the Policy does not suit Your needs then You may return it to Us and receive a full refund of all Total Premiums paid and the Policy will be cancelled.</p>
NOTICES	16	<p>Should You write to Us about this Policy, You must send the letter to Our head office in New Zealand as notified by Us to You from time to time.</p> <p>The postal address of AIA New Zealand head office is: AIA New Zealand Private Bag 300981 Albany AUCKLAND CITY 0752</p> <p>The street address of AIA New Zealand head office is: AIA New Zealand Level 15 5-7 Byron Avenue Takapuna AUCKLAND CITY 0622</p>

SECTION C - INCOME PROTECTION BENEFITS

TOTAL DISABILITY BENEFIT	1	<p>If the Life Assured is Totally Disabled, We will pay, following the Waiting Period, the monthly Benefit for such period as the Life Assured remains Totally Disabled up to the Benefit Period or until the Life Assured is no longer Totally Disabled, whichever is the sooner. This is a monthly Benefit payable in advance subject to receipt of a progress report completed by the Life Assured and a Medical Practitioner. Payment of the Total Disability Benefit is always subject to Clause 5 "Offsets" under Section D of this Policy.</p>
RECURRENT DISABILITY BENEFIT	2	<p>Successive periods of Total Disability resulting from the same or related cause within twelve (12) months of resuming work shall be considered a continuation of the same Total Disability and no Waiting Period shall apply. Such periods of recurrent Total Disability shall be added to the original Total Disability period for the purposes of applying the Benefit Period.</p>
PARTIAL DISABILITY BENEFIT	3	<p>We will pay a Partial Disability Benefit if the Life Assured is Partially Disabled (as defined in Clause 2 "Partial Disability" under Section D below) and the Waiting Period has elapsed. To allow Us to accurately assess the ongoing validity of a partial disability claim, the Partial Disability Benefit will be paid monthly in arrears from the end of the Waiting Period until the Life Assured is no longer Partially Disabled.</p> <p>This Partial Disability Benefit equals:</p> <p>$(A - B) / A * C$ where</p> <p>A = Average monthly Pre-disability Income B = Average monthly Post-disability Income C = The monthly Benefit amount</p> <p>We will then subtract the total of any other income replacement or any other form of employer remuneration or sick leave entitlements being received for the Life Assured from any other sources in relation to the same disability. Payment of the Partial Disability Benefit is always subject to Clause 5 "Offsets" under Section D of this Policy.</p>
WAIVER OF PREMIUM	4	<p>During a period of Total Disability, Recurrent Disability or Partial Disability for which a monthly Benefit is being paid, all Total Premiums due will be waived by Us.</p>
INFLATION ADJUSTABLE OPTION	5	<p>If the Policy Schedule shows You have selected this option, the Income Protection Benefit will increase on each anniversary of the Policy Commencement Date by an amount equal to the Consumer Price Index Increase for the year ended 30 September for which figures are available at the date the monthly Benefit is to be increased. You may decline any Consumer Price Index Increase.</p> <p>This option expires upon termination of the Policy in accordance with Clause 9 "Termination" under Section B above. This option will cease once the maximum total annual Sum Assured of \$300,000 has been reached.</p>

LEVEL BENEFIT OPTION	6	If the Policy Schedule shows that You have selected this option, the Income Protection Benefit will remain at the amount specified in the Policy Schedule .
BOOSTER BENEFIT OPTION	7	If Your Policy Schedule shows You have selected this option, where the Life Assured is Totally Disabled , We will pay You an extra Benefit for up to three (3) months following the cessation of the selected Waiting Period . This Benefit is calculated as one-third of the Total Disability Benefit after any applicable Offsets have been deducted.
SEVERE DISABILITY BENEFIT	8	<p>We will pay You an extra Benefit of one-third of the Total Disability Benefit payable until expiry of the Benefit Period, if the Life Assured has been absent from any employment as a result of injury or illness for six (6) consecutive months, and is totally and irreversibly unable to perform at least two (2) of the five (5) Activities of Daily Living without the standby assistance of another person.</p> <p>Activities Of Daily Living</p> <p>i) BATHING -The inability to wash oneself either in the bath or shower or by a sponge bath. The Life Assured will be considered to be able to bathe even if the above tasks can only be performed by using equipment or adaptive devices.</p> <p>ii) DRESSING - The inability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten and unfasten them. The Life Assured will be considered able to dress even if the above tasks can only be performed by using modified clothing or adaptive devices such as tape fasteners or zipper pulls.</p> <p>iii) TOILETING -The inability to get to and from and on and off the toilet, to maintain a reasonable level of personal hygiene, and to care for clothing. The Life Assured will be considered able to toilet even if it involves the use and ability to empty a colostomy bag, and/or catheter, or an alternative means of bowel or urine elimination device, or use a commode, bedpan or urinal, and able to empty and clean it without the standby assistance of another person.</p> <p>iv) MOBILITY - The inability to move from place to place. The Life Assured will be considered able to move even if it requires the use of equipment including but not limited to canes, quad canes, walkers, crutches, wheelchairs, including mechanical or motorised devices.</p> <p>v) EATING - The inability to get nourishment into the body by any means once it has been prepared and made available.</p>
INFLATION ADJUSTABLE CLAIM BENEFIT	9	<p>If You are receiving a Benefit under this Policy at the anniversary and each subsequent anniversary of the Policy Commencement Date, We will increase the monthly Benefit payable by the most recent Consumer Price Index Increase.</p> <p>When You are no longer disabled You can choose to keep the higher levels of Benefit. The Premium will increase accordingly.</p>

This **Benefit** does not apply if you have selected the Level Benefit Option as per Clause 6 “Level Benefit Option” above.

This **Benefit** expires upon termination of the **Policy** in accordance with Clause 9 “Termination” under Section B above.

MENTAL HEALTH DISORDER LIMITATION OPTION	10	If the Policy Schedule shows that You have selected this option, then if during the term of this Benefit , the Life Assured is Totally or Partially Disabled as a direct or indirect result of a Mental Health Disorder as defined under Clause 9 “Mental Health Disorder” under Section D below, the total Benefit Period for all claims arising out of this disability will be twelve (12) months from the end of the Waiting Period irrespective of the Benefit Period shown in the Policy Schedule .
OCCUPATIONAL RETRAINING	11	If the Life Assured is Totally Disabled and undertakes a programme of occupational retraining while receiving an Income Protection Benefit then, subject to written approval from Us , an additional lump-sum payment by way of reimbursement will be made for the cost of this training up to a maximum of twelve (12) times the monthly Benefit . This Benefit will be reduced by any costs recovered from any other source.
DEATH BENEFIT	12	If the Life Assured dies during the term of this Benefit , We will pay You , three (3) times the monthly Benefit specified in the Policy Schedule up to a maximum of \$30,000.
RETURN TO HOME BENEFIT	13	<p>If the Life Assured has been working outside of New Zealand for more than three (3) months and then suffers a Total Disability and We have accepted the claim, We will pay the lesser of:</p> <p>A Three (3) times the monthly Benefit specified in the Policy Schedule; or</p> <p>B A single standard economy air fare to New Zealand by the most direct route available plus any transport costs to an AIA New Zealand approved medical facility in New Zealand where necessary.</p> <p>A Return to Home Benefit can only be paid once in any 12 month period.</p>
NO CLAIM BENEFIT	14	<p>If this Income Protection Benefit has been continuously in force for three (3) years and no claim has been made or is eligible to be made, We will:</p> <p>A Double the Death Benefit payable; and</p> <p>B Double the maximum amount payable under the Occupational Retraining Benefit and Rehabilitation Benefit.</p>

**INCREASING
INCOME BENEFIT**

15

You can apply to increase the Income Protection **Benefit** at any time while **Your Policy** remains in force without needing to provide further medical evidence if:

- the **Life Assured** is under age 55 at the time of the option to increase; and
- no **Benefit** is being received or payable under this Income protection **Benefit** and premiums are not being waived; and
- the Income Protection **Benefit** is less than \$12,000 per month.

The maximum increase is 10% per year of the Income Protection **Benefit** in addition to any **Consumer Price Index Increase**.

The total of all increases in the Income Protection **Benefit** cannot exceed the original Income Protection **Benefit** at the **Policy Commencement Date**.

You must apply in writing to **Us** and provide evidence satisfactory to **Us** of the **Life Assured's** increased income within 60 days of the increase in income. This is likely to be confirmation of the increase in salary from the **Life Assured's** employer or confirmation in writing by the **Life Assured's** accountant that there has been an increase in income.

**HOME CARE
BENEFIT**

16

We will pay a Home Care **Benefit** in addition to the Income Protection **Benefit**, if the **Life Assured** is **Totally Disabled** and an appropriate registered **Medical Practitioner** certifies that the **Life Assured** requires **Full-Time Care** at home because of the **Life Assured's Total Disability**.

The **Full-Time Care** must be provided by either a person whose profession it is to provide nursing or similar services or a direct family member who is in paid work for at least 28 hours per week immediately before the **Life Assured** became **Totally Disabled** and who has given up that work to care for the **Life Assured**.

The amount of the **Home Care Benefit** each month will be the lesser of:

- the monthly **Benefit** specified in the **Policy Schedule**; or
- \$2,500 per month; or
- The cost of the care, if it is provided by a person whose profession it is to provide nursing or similar services.

Where the **Home Care Benefit** is paid for an incomplete month, payment will be at the rate of 1/30th (one-thirtieth) of the monthly **Benefit** per day. This **Benefit** starts from the expiry of the first three successive nights of the **Life Assured** receiving **Full-Time Care** at home until the earlier of:

- an appropriate registered **Medical Practitioner** certifying that **Full-time Care** is no longer required; or
- **We** have paid this **Benefit** for six consecutive months.

BED CONFINEMENT BENEFIT	17	<p>If the Life Assured is Totally Disabled and confined to bed on direction of a Medical Practitioner and under the Full-Time Care of a Registered Nurse (holding an Annual Practising Certificate issued by the Nursing Council of New Zealand) before the Waiting Period has elapsed and has been so for more than three (3) days, the Benefit payable after the third day will be a daily Benefit equivalent to 1/30 of the monthly Total Disability Benefit which will commence and will continue until the Life Assured leaves bed or until the Waiting Period has elapsed, whichever is sooner. The normal conditions apply after the Waiting Period has elapsed.</p>
LEAVE WITHOUT PAY	18	<p>If the Life Assured takes a period of Leave Without Pay from all regularly remunerated occupations You may elect to:</p> <p>A Suspend cover and the payment of Total Premiums for a maximum of twelve (12) months provided You have given Us prior notice and obtained Our approval. We will resume cover without requiring evidence of health for any insured person when the requested suspension period expires. Once cover is reinstated, Total Premiums must recommence.</p> <p>B We will not pay any Benefits under this Policy following reinstatement of cover, in respect of any symptoms, injury, disease or disorder or conditions that You become aware of while cover is suspended regardless of whether medical treatment or advice was sought or whether a diagnosis was made or confirmed.</p>
REHABILITATION EXPENSE BENEFIT	19	<p>A Benefit is payable of six (6) times the monthly Benefit to cover costs of purchasing specialist equipment or completing home alterations which are necessary as a result of disability. This Benefit is payable at Our sole discretion where it is deemed the Benefit will assist the Life Assured with a return to independence and the workforce. We shall be entitled to arrange for an appropriately qualified health professional to assess any recommendation for specialist equipment or home alterations. This Benefit will be reduced by any costs recovered from other sources such as other insurers or the ACC.</p>

**PREGNANCY
PREMIUM WAIVER**

20

We will waive the **Total Premium** under this **Policy** for up to six (6) months at any stage between the second trimester and six (6) months after the **Life Assureds** pregnancy finishes if the **Life Assured** becomes pregnant while this **Policy** is in force provided:

- the **Life Assured** provides **Us** with a confirmation of pregnancy from an appropriate **Medical Practitioner**; and
- the **Life Assured** did not become pregnant within nine (9) months of:
 - the **Policy Commencement Date**; or
 - the most recent reinstatement of this **Policy**; and
- the **Life Assured** is on maternity leave from their **Usual Occupation**.

You must notify **Us** in writing when the **Total Premium** is to be waived.

This Waiver will cease when a total of six (6) months **Total Premium**, including any **Total Premiums** waived during an earlier pregnancy, have been waived.

**OPTIONAL
INVOLUNTARY
REDUNDANCY
BENEFIT**

21

If the **Policy Schedule** shows that **You** have selected the Involuntary Redundancy **Benefit** option, during the term of this **Benefit We** will pay a **Benefit** for each full month following the Involuntary Redundancy (as defined in Clause 10 "**Optional Involuntary Redundancy Benefit**" under Section D below) of the **Life Assured** up to a maximum period of six (6) months, or until the **Life Assured** has commenced alternative employment whichever is the earlier. The **Benefit** will commence after the first thirty (30) days of any period of total unemployment during which period no **Benefit** will be paid. **Benefit** payments will be made upon receipt of proof acceptable to **Us** that the **Life Assured** remains unemployed and is registered with Work and Income New Zealand, or any subsequent Government Employment Agency and is actively seeking employment. The maximum monthly payment is the monthly **Benefit** specified in the **Policy Schedule** or \$2,500 whichever is the lesser.

The **Life Assured** must return to work for a period of at least twelve (12) consecutive months prior to making another claim on the **Optional Involuntary Redundancy Benefit**. The **Optional Involuntary Redundancy Benefit** is payable for a total maximum of twelve (12) months per **Policy**.

PREMIUM

22

The annual **Total Premium** or instalment of the **Total Premium** is payable for the entire duration of the **Benefit** together with any increases in premium applicable for the **Inflation Adjustable Benefit**.

If the **Policy Schedule** shows that **You** have selected a Level Premium, **We** will not do any age recalculation during the duration of the **Policy**. In all other cases, **Your** Income Protection **Benefit Premium** specified in the **Policy Schedule** will be recalculated every year in accordance with the **Premium Step** specified in the **Policy Schedule**, based on the age of the **Life Assured** at that time.

Please note that the underlying Premium Rates are not guaranteed and are subject to review with effect from the next Period of Assurance, regardless of whether an age recalculation takes place at that point or not.

RENEWAL	23	The Income Protection Benefit may be renewed up to the anniversary of the Policy Commencement Date following the Life Assured attaining the age of sixty-five (65) or age seventy (70) as per the Policy Schedule , regardless of changes in the health or occupation of the Life Assured .
TAX	24	<p>A AIA New Zealand understands that under the current tax legislation, Premiums payable for Agreed Value Income Protection Policies are not deductible for tax purposes and claim payments are not taxable.</p> <p>In the event of a change in tax legislation where Premiums become deductible and claim payments become taxable, then AIA New Zealand will allow the monthly Benefit to be increased to an amount agreed by Us to reflect the change in tax treatment. Your Premium will be adjusted to reflect the increase in Benefit and will be based on Premium rates applicable at that time.</p> <p>We will accept the increase on the same terms that the original Policy was issued without further medical or financial underwriting.</p> <p>B AIA New Zealand will notify the Policy Owner in writing as soon as We are aware of any change in tax legislation in relation to Agreed Value Income Protection Policies. The Policy Owner must then make a written request to AIA New Zealand to adjust the monthly Benefit. We must receive any adjustment request within sixty (60) days of AIA New Zealand's notification of the change in tax legislation.</p>
GUARANTEED PASS BACK OF BENEFIT ENHANCEMENTS	25	<p>If We make future enhancements to Our Policy wordings that do not result in a premium increase, We will pass back the enhanced Benefit, feature and/or condition automatically to You. The enhanced Benefit, feature and/or condition will only apply to claimable events which occur after the date We pass back the enhanced Benefit, feature and/or condition to You. Any underwriting exclusion or special terms that apply to this Policy will not be altered by any enhanced Benefit, feature and/or condition. This Benefit is to ensure that You will be better off as a result of the enhanced Benefit, feature and/or condition. If You are inadvertently disadvantaged in anyway then the previous Policy wording will apply.</p>
EXCLUSIONS	26	<p>No Benefits shall be paid under this Policy if the injury or sickness resulting in Total Disability directly or indirectly was caused by or resulted from:</p> <p>A Intentionally self-inflicted injury whether the Life Assured is sane or insane.</p> <p>B Participation in any Criminal Act.</p> <p>C Pregnancy, childbirth, abortion or miscarriage unless the Total Disability lasts for more than ninety (90) days after the end of pregnancy, at which time the Waiting Period will commence.</p>

- D** In the case of a **Policy** with a **Benefit Period** of two (2) years, any injury, sickness, or related condition in respect of which twenty-four (24) months of Income Protection **Benefits** have already been paid.
- E** In the case of a **Policy** with a **Benefit Period** of five (5) years, any injury, sickness, or related condition in respect of which sixty (60) months Income Protection **Benefits** have already been paid.
- F** In the case of a **Policy** where the **Mental Health Disorder Limitation** option has been selected, any **Mental Health Disorder** or related **Mental Health Disorders** in respect of which twelve (12) months Income Protection **Benefits** have already been paid in total.
- G** In the case of a **Policy** where the **Optional Involuntary Redundancy Benefit** has been selected, no **Involuntary Redundancy Benefit** will be paid where;
1. The **Life Assured** is made redundant within six (6) months following the **Policy Commencement Date**; or
 2. The redundancy or possible redundancy was known to the **Life Assured** prior to the **Policy Commencement Date**; or
 3. The **Life Assured** was on a fixed term contract of employment or an interim contract; or
 4. The **Life Assured** is made redundant as a direct or indirect result of a strike or labour dispute; or
 5. The **Life Assured** was self-employed, in part-time, seasonal or casual employment; or
 6. The **Life Assured** is employed by and made involuntarily redundant by a close or lineal relation.

SECTION D - INCOME PROTECTION BENEFIT DEFINITIONS

TOTAL DISABILITY	1	<p>Means a period of injury or sickness commencing when the Life Assured first received advice from a Medical Practitioner for that injury or sickness provided that:</p> <ul style="list-style-type: none">A The Life Assured is under the regular and personal care of a Medical Practitioner; andB The Life Assured's injury or sickness is supported by clinical evidence and approved by Us; andC The Life Assured is unable to perform the Life Assured's Usual Occupation as a result of that injury or sickness; andD The Life Assured is unable to follow one's Usual Occupation for more than ten (10) hours per week; andE The Life Assured is not working or engaged in any other occupation or business. <p>Totally Disabled has a corresponding meaning.</p>
PARTIAL DISABILITY	2	<p>Means a disability resulting from a serious injury or sickness which immediately follows a period of Total Disability of at least seven (7) days and the Life Assured has returned to work in a reduced capacity. The reduction in work capacity must be as a result of the continuation of the disability. The Partial Disability must be supported by an appropriate Diagnosis from a Medical Practitioner and evidence acceptable to Us. Subject to the following conditions:</p> <ul style="list-style-type: none">A Monthly Income is less than 75% of the Life Assured's Pre-Disability Income; andB The Life Assured is under the regular and personal care of a Medical Practitioner.
MEDICAL PRACTITIONER	3	<p>Shall mean any person approved by Us registered with the Medical Council of New Zealand to render medical or surgical services, and who holds an Annual Practising Certificate. For diagnoses made outside New Zealand, this definition covers any appropriately qualified medical professional approved by Us. This definition excludes any person who is himself/herself the Life Assured, the spouse, de facto spouse, Civil Union partner, lineal relative, or business partner/associate of the Life Assured.</p>

BENEFIT	4	<p>Means the annual Benefit, paid monthly, will be :-</p> <p>A The Benefit specified in the Policy Schedule for an “Agreed Value Contract”; or</p> <p>B The Benefit specified in the Policy Schedule or 75% of the average annual Pre-Disability Income of the Life Assured, whichever is the lesser, for an “Indemnity Value Contract”.</p>
OFFSETS	5	<p>A The Benefit will be reduced by an amount equal to the total of any other income replacement or any other form of employer remuneration or sick leave entitlements being received by the Life Assured from any other sources in relation to the same disability.</p> <p>B The Benefit will be reduced by any Income You receive or are entitled to receive as a result of the Life Assured’s personal exertion subsequent to the disablement date.</p>
INCOME	6	<p>A Where the Life Assured does not directly or indirectly own the business or professional practice from which they earn their regular income, income is defined as the total monthly value of the Life Assured’s remuneration in respect of the performance of the Life Assured’s regular occupation. Income includes:</p> <ul style="list-style-type: none"> • salary • fees • commission • bonuses • and fringe benefits <p>Income is determined by calculating the amount the Life Assured could be expected to receive if the Life Assured’s total remuneration was received as a salary or wage (before income tax is deducted).</p> <p>B Where the Life Assured directly or indirectly owns all or part of the business or professional practice from which they earn their regular income, income is defined as that earned by the business directly due to the Life Assured’s personal exertion or activities less the Life Assured’s share of the necessarily incurred business expenses and costs for that business or professional practice, calculated on a monthly basis.</p> <p>C Does not include unearned Income or Income derived from past or previous services from employment of the Life Assured. Including but not limited to interest earnings, rental income, royalties, or renewal commissions.</p>
PRE-DISABILITY INCOME	7	<p>Means the Life Assured’s Income during any one (1) continuous twelve (12) month period elected by You during the three (3) years immediately prior to the Total Disability.</p>
POST-DISABILITY INCOME	8	<p>Means the Life Assureds Income, or the amount of Income the Life Assured is Capable of Earning while Partially Disabled, as determined by Us after an assessment of present and likely capabilities.</p>
MENTAL HEALTH DISORDER	9	<p>Is as defined by Us as a past or present history of symptoms suggestive of, and/or Diagnosis or treatment of, the following non-limiting list of mental health related problems:</p> <ul style="list-style-type: none"> • Anxiety, depression, behavioural disorder, psychoneurosis, psychosis, or somatoform disorders;

- Stress, fatigue, exhaustion, chronic fatigue syndrome;
- Any psychiatric complication of physical disorders;
- Post-Traumatic Stress Disorder, drug or alcohol abuse;
- Any other physical disorder related or attributable to stress or any other mental or nervous disorder.

**OPTIONAL
INVOLUNTARY
REDUNDANCY
BENEFIT**

10

Involuntary Redundancy is defined as:

Termination of the **Life Assured's** permanent contract of employment by the **Life Assured's** employer due to the fact that:

- The **Life Assured's** employer has ceased or intends to cease to carry on the business for the purpose of which the **Life Assured** was employed or has ceased or intends to cease to carry on that business in the place where the **Life Assured** was so employed; or
- the requirements of that business for the **Life Assured** to carry out work of a particular kind in the place the **Life Assured** was so employed has ceased or diminished or are expected to cease or diminish.

BENEFIT PERIOD

11

Means the **Benefit Period** specified in the **Policy Schedule**.

**NORMAL
DOMESTIC DUTIES**

12

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 dependent relative (where applicable). **Normal Domestic Duties** does not include duties outside the **Life Assured's** home for salary, reward or profit.

WAITING PERIOD

13

Means the **Waiting Period** specified in the **Policy Schedule** of continuous **Total Disability** or **Partial Disability** which must elapse before the monthly **Benefit** becomes payable. The **Waiting Period** can be interrupted by up to five (5) days or up to seven (7) days if the **Waiting Period** is thirteen (13) weeks or longer, when the **Life Assured** returns to work. When the **Waiting Period** is interrupted by a return to work the **Waiting Period** will not stop and will be extended by one (1) day for each day the **Life Assured** returns to work up to the maximums detailed in the preceding sentence.

(INSIGHT 26.0.0) - 12 October 2015