

Personal Cover - Mortgage Income and Rent Cover

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)**.

Adoption

Means **Adoption** as defined in the Adoption Act 1955.

Benefit(s)

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

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 that action results in a conviction on indictment or on summary conviction.

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**.

SECTION B - MORTGAGE INCOME AND RENT 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 When **You** apply for insurance with **AIA New Zealand**, **You** have a legal duty of disclosure to **AIA New Zealand**. This means that:

1. All the statements that **You** make to **AIA New Zealand** (both written and oral) including the answers in:
 - 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:
 - 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:
 - 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**.

IMPORTANT

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:

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**.

If You are not sure whether You are to disclose a particular fact, please ask AIA New Zealand or Your Insurance Adviser.

		<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> <p>C In order to maintain the validity of Policy Benefits, You must inform Us of any change of lender.</p>
PREMIUM RATES	3	<p>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.</p>
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	<p>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.</p>
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 **A** Written proof of **Total Disability** (as defined in Clause 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**. In the case of the **Involuntary Redundancy** the **Life Assured** must supply proof acceptable to **Us** that the **Life Assured** has been made redundant.
- 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.
- C** Any expense incurred in providing due proof of the existence of a claim 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** **We** will require the **Life Assured** to provide confirmation of hours worked per week prior to and at the time a claim is being paid. Such proof will be in a form acceptable to **Us**. In the case of the **Involuntary Redundancy Benefit** the **Life Assured** must also supply proof acceptable to **Us** that the **Life Assured** remains unemployed and are registered with Work and Income New Zealand, or any subsequent Government employment bureau.
- F** 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.
- G** Responsibilities during claims assessment and while in receipt of Mortgage Income and Rent **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. 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> <ol style="list-style-type: none"> A The anniversary of the Policy Commencement Date following the Life Assured attaining the age of sixty-five (65) regardless of whether a claim is being paid. B Written notification of cancellation from You to Us at any time. C The Death of the Life Assured. D Non-payment of Total Premium as set out in Clause 6 "Period of Assurance" above.
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	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.
PAYMENT OF BENEFITS	13	<ol style="list-style-type: none"> A Where any of the insured events occur, the Benefit payable will be the Benefit specified in the Policy Schedule.

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>
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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>
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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's head office is: AIA New Zealand Private Bag 300981 Albany AUCKLAND CITY 0752</p> <p>The street address of AIA New Zealand's head office is: AIA New Zealand Level 15 5-7 Byron Avenue Takapuna AUCKLAND CITY 0740</p>
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SECTION C - MORTGAGE INCOME AND RENT BENEFITS

TOTAL DISABILITY BENEFIT	1	<p>If the Life Assured is Totally Disabled We will pay following the Waiting Period, the Benefit specified in the Policy Schedule less any offsets set out in section D, Clause 12. The Benefit will be paid 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.</p> <p>This is a monthly Benefit payable in advance subject to receipt of a progress report completed by the Life Assured and a Medical Practitioner.</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

We will pay a **Partial Disability Benefit** if the **Life Assured** is **Partially Disabled** (as defined in Clause 2 under Section D below) and the **Waiting Period** has elapsed.

The amount payable under the **Partial Disability Benefit** will be a percentage of the monthly **Sum Assured** as shown in the **Policy Schedule**. The percentage is the difference between the hours per week that the **Life Assured** is able to work while **Partially Disabled** and the average number of hours that the **Life Assured** worked in the three (3) months immediately prior to becoming **Totally Disabled**; calculated as a percentage of the average number of hours that the **Life Assured** worked in the three (3) months prior to becoming **Totally Disabled**.

Calculation: % = (hours worked on average in the three (3) months prior to **Total Disability** - hours worked while **Partially Disabled**) / hours worked on average in the three (3) months prior to **Total Disability**.

For example, if the **Life Assured** is able to work 20 hours per week while **Partially Disabled** and was working 40 hours per week on average in the three months immediately prior to becoming **Totally Disabled** then the percentage payment will be 50% of the monthly **Sum Assured** as shown in the **Policy Schedule**.

To allow **Us** to accurately assess the ongoing validity of a **Partial Disability** claim, the **Partial Disability** benefit will be paid monthly in arrears until the **Life Assured** is no longer **Partially Disabled**.

**WAIVER OF
PREMIUM**

4

During a period of **Total, Partial** or **Recurrent Disability** for which a monthly **Benefit** is being paid, all **Total Premiums** due will be waived by **Us**.

**INFLATION
ADJUSTABLE
OPTION**

5

If the **Policy Schedule** shows **You** have selected this option, the Mortgage, Income and Rent **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**.

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.

If the **Policy Schedule** shows **You** have selected this option, the **Consumer Price Index Increase** will cease during any period of Claim. The Inflation Adjustable Option will re-commence from the date your claim is finalised, and **You** will have the option to continue with this or decline the **Consumer Price Index Increase**.

**MENTAL HEALTH
DISORDER
LIMITATION
OPTION**

6

If the **Policy Schedule** shows that **You** have selected the Mental Health Disorder Limitation option, then if during the term of this **Benefit**, the **Life Assured** is **Totally Disabled** as a direct or indirect result of a **Mental Health Disorder** as defined under Clause 13 "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**.

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| IF UNEMPLOYED | 7 | <p>If the Life Assured becomes Totally Disabled while being unemployed for more than twelve (12) months, the definition of Total Disability will be based on the definition for Class 5 occupations irrespective of the Occupational Class specified in the Policy Schedule.</p> <p>If the Life Assured becomes Totally Disabled within twelve (12) months of becoming unemployed, then the Benefit payable will be assessed as normal without the restrictions.</p> |
| LEAVE WITHOUT PAY | 8 | <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 in respect of any event that occurs while cover is suspended.</p> |
| OPTIONAL INVOLUNTARY REDUNDANCY BENEFIT | 9 | <p>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 14 "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 (Per life assured). If You have more than one (1) OPTIONAL INVOLUNTARY REDUNDANCY BENEFIT this will be subject to the maximum monthly payment of the monthly Benefit specified in the Policy Schedule or \$2,500 (Per life assured) whichever is the lesser.</p> <p>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.</p> |
| SPECIAL EVENTS INCREASE | 10 | <p>You may at any time prior to the Life Assured reaching age fifty five (55) increase the Sum Assured for the Mortgage Income and Rent Benefit under this Policy on the occurrence of any of the Special Events (A-D) listed below without further evidence of health. Requests for increases must be made within six (6) months of a Special Event. You can make more than one Special Events increase during each Policy Year. You may increase the Sum Assured more than once in respect of each Special Event.</p> |

A **Special Events** increase is NOT available if the **Life Assured** has been the subject of a claim (whether accepted or not) or entitled to claim under this **Policy**. For the sake of clarity this includes any claim currently under assessment. The increase in respect of each **Special Event** cannot exceed \$1,500 per month or the amount of any additional or increased mortgage repayments, whichever is the lesser.

The sum of the total maximum increase under this **Special Events Increase** cannot exceed seventy five percent (75%) of the original **Sum Assured**.

The **Premium** for the increased cover will be based on the age of the **Life Assured** and **Our Premium Rates** at the time the option is exercised.

- A** Increasing an existing residential mortgage
- B** Purchasing a new home which the **Life Assured** will reside in
- C** Purchasing a vacation home
- D** Purchasing a bare block of land zoned as residential

In order to increase the Mortgage Income and Rent Benefit under this **Special Events Increase** a written application must be received by **Us** within six (6) months of the event occurring. The written application must be accompanied by evidence of the applicable event.

PREMIUM

11

The annual **Total Premium** or instalment of the **Total Premium** is payable for the entire duration of the **Benefit**. The **Premium** specified in the **Policy Schedule** will be recalculated at the expiration of the **Premium Guarantee Period** specified in the **Policy Schedule**, and of each succeeding **Premium Guarantee Period**, based on the age at the next birthday of the **Life Assured**.

RENEWAL

12

The Mortgage Income and Rent **Benefit** may be renewed up to the anniversary of the **Policy Commencement Date** following the **Life Assured** attaining age sixty-five (65) as per the **Policy Schedule**, regardless of changes in the health or occupation of the **Life Assured**.

EXCLUSIONS

13

No **Benefits** shall be paid under this **Policy** if the injury or sickness resulting in **Total Disability** or **Partial Disability** directly or indirectly was caused by or resulted from:

- A** Intentionally self-inflicted injury whether the **Life Assured** is sane or insane or participation in any criminal act.
- B** 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.
- C** 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 Mortgage Income and Rent **Benefits** have already been paid.
- D** 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 Mortgage Income and Rent **Benefits** have already been paid.
- E** 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 Mortgage Income and Rent **Benefits** have already been paid in total.
- F** 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 thirty (30) days 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 - MORTGAGE INCOME AND RENT BENEFIT DEFINITIONS

TOTAL DISABILITY 1

Means a period of serious injury or sickness commencing when the **Life Assured** first received advice from a **Medical Practitioner** for that injury or sickness provided that:

- A** The **Life Assured** is under the regular and personal care of a **Medical Practitioner**; and
- B** The **Life Assured's** injury or sickness is supported by clinical evidence and approved by **Us**; and
- C** The **Life Assured** is unable to perform their occupation as the result of that injury or sickness; and
- D** Inability to perform the **Life Assureds'** occupation is defined by reference to the occupational class specified in the **Policy Schedule** as follows:
- E** **Occupation Classes 1, 2, 3 & 4:** Inability to follow one's own occupation for more than ten (10) hours per week. **AIA New Zealand** will arrange assessments with an appropriately qualified health professional if this situation occurs; or

The **Life Assured** is unable to perform one or more of the important income producing duties of their own occupation;

and

The **Life Assured** is not working in any occupation other than up to ten (10) hours per week in their own occupation.

Occupation Class 5: Confined under medical supervision to home or a medical institution and as a result of the disability unable to undertake three (3) or more of the following activities without assistance:

- a. washing and bathing
- b. dressing and undressing
- c. eating
- d. general household duties
- e. climbing stairs
- f. shopping.

Totally Disabled has a corresponding meaning.

PARTIAL DISABILITY 2

Means a disability resulting from 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:

- A** The hours worked by the **Life Assured** per week are less than 75% of the hours worked per week in the three (3) months immediately prior to being **Total Disabled**; and
- B** The **Life Assured** is under the regular and personal care of a **Medical Practitioner**.
- C** If the **Policy Schedule** states **You** are occupation class 5 or if clause seven (7) of part C applies to the preceding period of **Total Disability** then no **Partial Disability Benefit** is payable.

OCCUPATIONAL RETRAINING BENEFIT	3	If the Life Assured is Totally Disabled and undertakes a programme of occupational retraining 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 .
DEATH BENEFIT	4	If the Life Assured dies during the term of this Policy , 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	5	<p>If the Life Assured has been working outside of New Zealand for more than three (3) months and then suffers a Total Disability, upon acceptance of 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>
BED CONFINEMENT BENEFIT	6	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 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.
REHABILITATION EXPENSE BENEFIT	7	A Rehabilitation Expense Benefit is payable of up to twelve (12) 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 AIA New Zealand's sole discretion where it is deemed the Benefit will assist the Life Assured with a return to independence and the workforce. AIA New Zealand 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.

**GUARANTEED
PASS BACK OF
BENEFIT
ENHANCEMENTS**

8

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.

**BACK TO WORK
BENEFIT OPTION**

9

If the **Policy Schedule** shows that **You** have selected the Back to Work **Benefit** option, **We** will pay a Back to Work **Benefit** where the **Life Assured** has been **Totally Disabled** for more than twelve (12) continuous months, has received a Occupational Retraining Benefit and then immediately returns to full time work. The Back to Work **Benefit** is payable as follows:

- A** After three (3) consecutive months of full time work **We** will pay an amount equal to one (1) times the monthly **Benefit**; and
- B** After six (6) consecutive months of full time work **We** will pay an amount equal to two (2) times the monthly **Benefit**.

The **Life Assured** will need to provide evidence satisfactory to **Us** that they have been back at full time work for the timeframes specified above.

**FUTURE
INSURABILITY
BENEFIT**

10

You may request **Us** to increase the Mortgage Income and Rent **Benefit** without further medical evidence subject to the following:

- A** **You** must request the increase within six (6) months of taking out a new mortgage or increasing an existing mortgage or an increase in residential rental payment; and
- B** **You** will need to provide evidence satisfactory to **Us** of the new mortgage or increase in the existing mortgage or increase in residential rental payment; and
- C** The maximum increase under this **Benefit** is 50% of the initial **Benefit** with any one individual increase being limited to the lesser of 115% of the increase in the mortgage repayment or residential rental payment in excess of the **Benefit** or \$300 per month whichever is the lesser; and
- D** The **Premium** increase will be calculated based on the **Life Assureds** age, occupation and **Premium** rate at the time of the increase.

The Future Insurability Benefit is not available if the **Life Assured**:

- a) Has been accepted under the Mortgage, Income and Rent Cover with any **Premium** loadings; or
- b) Is in the process of claiming or eligible to claim or has claimed any benefit under any **Policy** held with **AIA New Zealand**; or
- c) Is fifty five (55) years of age or over.

**SPECIFIC INJURY
BENEFIT OPTION** 11

If the **Policy Schedule** shows that **You** have selected the Specific Injury **Benefit** option, should the **Life Assured** suffer any of the Specific Injuries defined below, then **We** will pay **You** the **Benefit** as shown below, whether or not the **Life Assured** is working.

The **Benefit** starts to accrue when the Specific Injury is suffered and is paid monthly in advance and will stop when the payment period ends.

If the **Life Assured** suffers more than one Specific Injury only one (1) **Benefit** will be paid being the Specific Injury that provides the greatest **Benefit**.

Whilst the Specific Injury **Benefit** is being paid no other **Benefit** is payable under this **Policy**. If the **Life Assured** is still **Totally** or **Partially Disabled** at the end of the payment period, any further **Benefits** will be assessed at the end of the payment period.

Specified Injuries and Payment Periods

Specified Injury	Payment Period
Fracture of jaw	30 days
Fracture of skull	30 days
Fracture of forearm	30 days
Fracture of collarbone	30 days
Fracture of wrist	45 days
Fracture of upper arm	60 days
Fracture of shoulder	60 days
Fracture elbow	60 days
Fracture of vertebrae	60 days
Fracture of kneecap	60 days
Fracture of ankle	60 days
Fracture of heel	60 days
Fracture of the leg below the knee (tibia or fibula)	60 days
Fracture of the leg above the knee (femur)	90 days
Fracture of the pelvis	90 days
Loss of the thumb and index finger of the same hand	6 months
Loss of a foot or hand	12 months
Loss of sight in an eye	12 months
Loss of a whole leg or arm	18 months
Loss of any combinations of hand, Foot or sight	24 months
Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia)	upto 60 months*

Fracture means any fracture resulting from an accident requiring fixation, immobilisation or plaster cast treatment of the affected area within 48 hours of the accident.

*Paralysis upto 60 months or the benefit period specified in the policy schedule under **Specific Injury Benefit Option** , whichever is the lesser.

Loss means the:

- Total and permanent loss of the use of the hand from the wrist or the foot from the ankle joint; or
- Total and permanent loss of the use of the arm from the elbow or leg from the knee joint; or
- Complete severance of the thumb and index finger from the first phalangeal joint; or
- Irrecoverable total loss of an eye or sight in the eye.

The Fracture or Loss must be certified by a **Medical Practitioner**.

OFFSETS	12	<p>No offsets apply where the Benefit is \$5,000 per month or less. Where the monthly Benefit is greater than \$5,000 then the amount of the Benefit in excess of \$5,000 will be offset by income the Life Assured is entitled to receive from any:</p> <ul style="list-style-type: none">• Government or statutory source (for example ACC payments or any benefit); and/or• An investment property insured under this Policy; and/or• A non AIA New Zealand insurance policy covering the same risk.
MENTAL HEALTH DISORDER	13	<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; or• Stress, fatigue, exhaustion, chronic fatigue syndrome; or• Any psychiatric complication of physical disorders; or• Post Traumatic Stress Disorder; or• Drug or alcohol abuse; or• Any other physical disorder related or attributable to stress or any other mental or nervous disorder.
OPTIONAL INVOLUNTARY REDUNDANCY BENEFIT	14	<p>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:</p> <ul style="list-style-type: none">• 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 have ceased or diminished or are expected to cease or diminish.
BENEFIT PERIOD	15	<p>Means the Benefit Period specified in the Policy Schedule.</p>
WAITING PERIOD	16	<p>Means the Waiting Period specified in the Policy Schedule of continuous Total Disability which must elapse from the date upon which the Life Assured first received medical advice from a Medical Practitioner in respect of that disability before the monthly Benefit becomes payable.</p>

(INSIGHT 28.0.0) – 13 March 2017