

AIA LIVING - PERSONAL OPTIONAL BENEFIT APPENDIX



Life Cover Benefit

This *appendix* only applies if cover under *the schedule* for your policy includes the Life Cover Benefit. This *appendix* forms part of and is incorporated into your **AIA Living** policy, the terms of which apply to this *appendix*.

This is a Life Cover Benefit. Details of the benefit and the names of the *life/lives assured* are shown in *the schedule*.

1. When will AIA pay a Life Cover Benefit?

AIA will pay a Life Cover Benefit when the *life assured* for the benefit, as specified in *the schedule*, dies. AIA will pay the benefit as soon as we are satisfied with all the information which must be presented at the time of making a claim.

2. Terminal Illness Benefit

You can apply to AIA for a Terminal Illness Benefit of up to 100% of the applicable Life Cover Benefit if the *life assured* has been diagnosed as having an illness where in AIA's opinion despite all reasonable medical treatment they are expected to live for no more than 12 months. The *registered medical practitioner* treating the illness must provide supporting evidence of the illness, possible medical treatment, the prognosis and confirm that the definition of Terminal Illness has been met.

This Terminal Illness Benefit will be treated as an early payment of the Life Cover Benefit. The Life Cover Benefit will then be reduced by the amount paid for the Terminal Illness Benefit.

3. Specified Terminal Conditions Benefit

You can apply to AIA for a Specified Terminal Conditions Benefit of the lower of:

- > 30% of the applicable Life Cover Benefit; or
- > \$250,000

if the *life assured* has been unequivocally diagnosed by an appropriate *registered medical practitioner* as having any of the following incurable terminal conditions:

- > Motor Neurone Disease
- > Exocrine Pancreatic Cancer (Stages 3 or 4)
- > Non-Small Cell Lung Cancer (Stage 4)
- > Distal Oesophageal Cancer (Stage 4).

The Specified Terminal Conditions Benefit will be treated as an early partial payment of the Life Cover Benefit. The Life Cover Benefit will then be reduced by the amount paid under the Specified Terminal Conditions Benefit. The *premium* will adjust to reflect the reduced cover.

AIA may at its sole discretion alter this list of conditions from time to time as a result of the conditions becoming curable or improvements in the medical outlook for the conditions since

2015. AIA will give 30 days prior written notice to you, before any change takes effect.

4. Bereavement Support Benefit

Upon receiving written notification that the *life assured* has died, AIA will pay the lower of:

- > the Life Cover Benefit;
- > \$15,000 if the *life assured* is the sole *policy owner*; or
- > \$25,000 if there is a surviving *policy owner*.

This Bereavement Support Benefit will be treated as an early payment of the Life Cover Benefit. The Life Cover Benefit will then be reduced by the amount paid. Only one Bereavement Support Benefit payment per *life assured* will be made.

5. Parents Grieving Benefit

AIA will make a Parents Grieving Benefit payment if a *child* of a *life assured* dies:

- > prior to birth but after at least 24 weeks gestation, provided the *child* would have been born at least 12 months after the *risk commencement date* if the pregnancy continued to full term, where the *life assured* is the biological mother of the *child*; or
- > after birth and at least 12 months after the *risk commencement date*.

This Parents Grieving Benefit ceases on the *child's* 21st birthday.

How much will AIA pay for the Parents Grieving Benefit?

The benefit payable is:

- > \$2,000 if the *child* is under 10 years of age; or
- > \$15,000 if the *child* is 10 years of age or over.

Payment of the Parents Grieving Benefit will not reduce the sum assured of the Life Cover Benefit.

AIA will pay a maximum of one claim per *child* under the Parents Grieving Benefit across all AIA policies for a *life assured*.

6. Special Events Increase Facility

What is the Special Events Increase Facility?

On each occasion when one of the following circumstances occurs for a *life assured* on the Life Cover Benefit:

- > having a *child* (by birth or legal adoption);
- > becoming married or entering into a civil union;
- > becoming legally separated, divorced or the dissolution of the *life assured's* civil union;
- > financially supporting a dependent *child* through a first course of full-time tertiary education;
- > the commencement of secondary school for the first time by a *child* of the *life assured*;
- > taking out or increasing a home loan because the *life assured* has purchased a new home, a new residential investment property, a vacation home, or a bare block of land zoned as residential, or is making extensions to a residential property or residential investment property owned by the *life assured*;
- > becoming responsible for the full-time care or payment for long term care of a *close relative*;
- > receiving an *annual salary* increase. This special event is not available to a *life assured* who is self-employed; or
- > experiencing the death of a spouse, civil or de facto partner,

you may write to AIA asking us to increase the Life Cover Benefit for that *life assured*.

What is the maximum cover that can be added?

The maximum increase for each special event cannot exceed the lower of:

- > 50% of the original Life Cover Benefit for the *life assured*; or
- > \$250,000.

The total of all increases made under this Facility cannot exceed the lower of:

- > 100% of the original Life Cover Benefit for the *life assured*; or
- > \$750,000.

In the case of taking out or increasing a home loan, the individual increase cannot exceed the amount of the home loan or the increase in the home loan.

In the case of an *annual salary* increase, the individual increase cannot exceed five times the *annual salary* increase.

The maximum increases outlined above each apply in respect of all Life Cover and/or similar benefits for that *life assured* across all AIA policies.

What are the other conditions applying to this Facility?

You do not need to produce any medical evidence regarding the *life assured* when you request this increase, but any Special Events Increase is subject to the following conditions:

- > You must make the request within 12 months of the relevant special event and provide AIA with suitable evidence of the occurrence of the event.
- > A *life assured* over the age of 55 is not eligible for special events increases.
- > In any 12 month period you can make only one increase under this Facility or (if selected) the Optional Future Insurability Benefit described in Section 13.

AIA will increase the Life Cover Benefit for a *life assured* from the date we accept your request.

Each increase will require an increase in *premium*. This increase will be calculated on the rates applicable at the time the Special Events Increase Facility is exercised.

Any loadings, exclusions or special terms on the original Life Cover sum assured will be applied to the increased amount.

When will AIA not pay a claim for an increase under this Facility?

a. Increases in sum assured added to this policy

After an increase under this Facility has been made, AIA will not pay the increased benefit amount if:

- > Before the increase, the *life assured* qualified for payment of the Terminal Illness Benefit or the Specified Terminal Conditions Benefit; or
- > Within six months following the increase, the *life assured*:
 - dies, except where *accidental death* under this benefit occurs; or
 - qualifies for payment of the Terminal Illness Benefit or the Specified Terminal Conditions Benefit.

b. Increases in sum assured issued as an additional new policy

Where this policy or any part of the sum assured under it has been issued as the result of an increase under the Special Events Increase Facility, then:

- > The Special Events Increase Facility will not be available under this policy for the proportion of the sum assured that represents the increase.
- > AIA will not pay the increased benefit amount if:
 - before the increase, the *life assured* qualified for payment of the Terminal Illness Benefit or the Specified Terminal Conditions Benefit; or
 - within six months following the increase, the *life assured*:
 - dies except where *accidental death* under this benefit occurs, or
 - qualifies for payment of the Terminal Illness Benefit or the Specified Terminal Conditions Benefit.

7. Special Events Total Permanent Disablement (TPD)/Trauma Facility

What is the Special Events TPD/Trauma Facility?

On a special event occurring for a *life assured* (as listed in

earlier Special Events Increase Facility section on page 2), you can choose to add any one of the following:

- > An accelerated Critical Conditions Benefit;
- > An accelerated Progressive Care Benefit; or
- > An accelerated Any Occupation Total Permanent Disablement Benefit with an expiry age of age 65,

to the Life Cover for that *life assured*, without providing further medical evidence.

This Facility can be exercised in combination with the Life Cover Special Events Increase Facility for a given special event or this Facility can be exercised by itself.

What is the maximum cover that can be added?

The maximum cover allowed will be the lower of:

- > 50% of the original Life Cover Benefit for that *life assured*; or
- > \$100,000.

The following maximum sum assured limits also apply across all *AIA policies* for each *life assured*:

- > \$2,000,000 for Critical Conditions, Progressive Care and similar benefits (combined), including cover added under this Facility;
- > \$5,000,000 for Total Permanent Disablement and similar benefits, including cover added under this Facility; and
- > \$5,000,000 for Critical Conditions, Progressive Care, Total Permanent Disablement and similar benefits (combined), including cover added under this Facility.

This Facility can only be exercised once per *life assured* in respect of all Life Cover and/or similar benefits for that *life assured* across all *AIA policies*.

What are the other conditions applying to this Facility?

The Special Events TPD/Trauma Facility is not available in any of the following circumstances:

- > If the Special Events TPD/Trauma Facility has previously been exercised for the *life assured*;
- > If the *life assured* is aged 50 or over;
- > If the Life Cover Benefit was issued at other than standard rates or with exclusions;
- > If Total Permanent Disablement, Critical Conditions, or Progressive Care or similar benefits have previously been applied for in respect of the *life assured* and *AIA's* underwriting decision was to decline cover or to offer cover at non-standard rates or with exclusions.

If, at any time before you seek to exercise the Facility, a claim for the *life assured* had been accepted by us or notified to us, *AIA* will have discretion in determining whether the Facility can be exercised. In exercising discretion, we will consider whether the *life assured* represents an increased risk of claim for the benefit being added under this Facility.

At the time of adding an accelerated Total Permanent Disablement Benefit under this Facility, the *life assured* must be employed in an occupation that is eligible for this benefit under *AIA's* underwriting guidelines at that time.

To use the Special Events TPD/Trauma Facility, you must provide written advice to *AIA* within 60 days either side of the special event and provide *AIA* with suitable evidence of the occurrence of the special event.

Premiums will be adjusted to reflect the cover added using the Special Events TPD/Trauma Facility.

The added cover begins on the date we issue the new cover to the *policy owner*, and is subject to payment of the additional *premium*.

When will *AIA* not pay a claim under this Facility?

After the Special Events TPD/Trauma Facility has been exercised, *AIA* will not pay a benefit under the added benefit, if, at any time before the Facility was exercised, or within six months of the Facility being exercised, the *life assured*:

- > Suffers any *claim event* for anything other than an *accident* under the benefit, or
- > Has any symptoms or signs leading to a *claim event* (whether or not a *registered medical practitioner* has been consulted) that may result in a claim for anything other than an *accident* under the benefit.

8. Financial and Legal Advice Benefit

If *AIA* pays a claim under the Life Cover Benefit, the Specified Terminal Conditions Benefit, or the Terminal Illness Benefit then *AIA* will reimburse you for fees up to \$2,500 including GST (in total) that you pay for financial planning you receive from an *accredited Adviser* or legal advice received from a legal professional approved by *AIA*, subject to the following conditions:

- > You must pay for the financial planning or legal advice within the three months following *AIA* paying the Life Cover Benefit claim.
- > You must provide *AIA* with a completed claim form and a receipt satisfactory to *AIA* for the fees you are claiming.

AIA will only pay one Financial and Legal Advice Benefit per *life assured* across all *AIA policies*. This is in addition to the sum assured.

9. Repatriation Benefit

If the *life assured* dies, *AIA* will reimburse the *policy owner(s)* for the costs of returning the *life assured's* body to New Zealand or their *home country* upon receipt of evidence acceptable to *AIA*.

If the *life assured* is the sole *policy owner*, *AIA* will reimburse the person that has paid for the costs of repatriation upon receipt of evidence acceptable to *AIA*.

The maximum amount of the Repatriation Benefit across all *AIA policies* for that *life assured* is the lower of:

- > The Life Cover Benefit;
- > \$15,000 if the *life assured* is the sole *policy owner*; or
- > \$20,000 if there is a surviving *policy owner*.

The Repatriation Benefit will be treated as an early payment of the Life Cover Benefit. The Life Cover Benefit will then be

reduced by the amount paid.

The Repatriation Benefit may be paid in addition to the Bereavement Support Benefit but no more than the Life Cover Benefit sum assured will be paid for both benefits. If the *life assured* is the sole *policy owner*, we will pay a maximum of \$15,000 in total across both the Repatriation Benefit and the Bereavement Support Benefit.

10. Counselling Benefit

The Counselling Benefit covers the cost of a Psychiatrist or Psychologist consultation and/or counselling for the *life assured* and/or a *close relative* of the *life assured* where the support treatments and/or consultations directly relate to a claim under the Life Cover Benefit, the Specified Terminal Conditions Benefit or Terminal Illness Benefit. After referral by a *registered medical practitioner* we will reimburse up to \$2,500 including GST (in total) per *life assured*, subject to the following conditions:

- > The consultation and/or counselling must be paid for within three months following *AIA* paying the Life Cover Benefit, the Specified Terminal Conditions Benefit or Terminal Illness Benefit claim; and
- > *AIA* must be provided with a receipt for the consultation and/or counselling being claimed.

The \$2,500 is payable once per *life assured* per policy. This is in addition to the sum assured.

11. Premium Conversion Facility

You may at any time:

- > Convert all or part of your Life Cover Benefit from the *premium* type shown in *the schedule* to a Level *premium* structure; or
- > Convert a Level *premium* structure to an alternate Level *premium* structure, of which term duration may be the same or less than the current Level *premium* structure.

AIA will not require you or the *life assured* to produce further medical evidence at the time of conversion.

You will be issued a new policy for the sum assured amount of Life Cover Benefit being converted, in which case:

- > The Life Cover Benefit under this policy will be reduced by the sum assured amount converted.
- > The new policy will be issued based on the information provided at the time of conversion, together with the information provided in the original proposal.
- > The terms and conditions of the new policy will be those which are then offered by us to the general public.
- > *Premiums* will be calculated on the current age of the *life assured*.
- > Any special terms, exclusions or *premium* loadings that applied to your existing Life Cover Benefit under this policy will apply to your new Life Cover Benefit under the new policy.

12. Suspension of Cover Benefit

A *life assured* can suspend their cover under this benefit *appendix* for up to 12 months if they:

- > go on parental leave;
- > go on leave without pay for any reason;
- > become unemployed or redundant;
- > experience at least a 20% reduction in pay (comparing the most recent payslip against a previous payslip from the same year); or
- > if self-employed, experience a 30% reduction in revenue (by comparing one month's revenue against the same month for the previous year),

provided that:

- > The *premium* type shown in *the schedule* for the Life Cover Benefit is Rate for Age;
- > you notify *AIA* within three months of one of the above listed suspension events occurring and provide evidence to *AIA* of the suspension event; and
- > *AIA* acknowledges in writing receipt of that notification.

Cover for the *life assured* will be suspended from the date set out in *AIA's* written acknowledgement.

No *premium* will be payable during the period that the cover is suspended.

No claim under this benefit *appendix* will be payable for any *claim event* that occurs during the period that the cover is suspended.

A claim may only be payable if the *life assured* first meets the criteria for an eligible claim under this policy after their cover is reinstated.

Cover under this benefit *appendix* may be reinstated at the end of the suspension period in accordance with this Section without the need to provide further medical evidence, provided that the benefit has been suspended for no longer than 12 months.

At the end of the suspension period, the benefit will be automatically reinstated for the *life assured*.

Cover for the *life assured* will be reinstated from the date set out in *AIA's* written acknowledgement.

The *premium* payable for the reinstated benefit will be based on *AIA's* *premium* rates at the time of the reinstatement.

13. Optional Life Future Insurability Benefit

The Optional Life Future Insurability Benefit applies only if shown in *the schedule*.

Where an Optional Life Future Insurability Benefit is selected, the original Life Cover Benefit may be increased without the need to provide further medical evidence, subject to the following conditions:

- > The Life Cover Benefit may be increased by up to 20% of the original Life Cover Benefit or \$100,000, whichever is the greater, every three years on the *anniversary date*.

- > The total maximum Optional Life Future Insurability amount that can be added is the lower of twice the original Life Cover Benefit or \$1,000,000.
- > AIA will notify you of your entitlement to exercise the Optional Life Future Insurability Benefit before each third *anniversary date*. You can accept the offer by providing written notice to AIA any time before 60 days after the applicable *anniversary date*.
- > The Optional Life Future Insurability Benefit expires on the 60th birthday of the applicable *life assured*.
- > If a Special Events Increase has occurred in the last 12 months, no Optional Life Future Insurability increase can occur.
- > Any Optional Life Future Insurability Benefit not exercised may not be carried forward to any future time.
- > Any exercise of the Optional Life Future Insurability Benefit will require an increase in *premium*. This increase will be calculated on the rates applicable at the time the Optional Life Future Insurability Benefit is exercised.

14. How to make a claim

To make a claim, you must follow the relevant procedures in the section of your **AIA Living** policy entitled 'How to make a claim'.

In addition, for a Life Cover Benefit claim, AIA will require:

- > A full death certificate (in the event of the death of a *life assured*), and a coroner's report if applicable.
- > A grant of administration – probate, or certificate of administration, or letters of administration if the deceased was the sole *policy owner*.
- > For a Terminal Illness Benefit, evidence from a *registered medical practitioner* diagnosing an illness which will result in the death of the *life assured* within 12 months of the diagnosis and any other evidence we may reasonably require.
- > For a Specified Terminal Conditions Benefit, evidence from a *registered medical practitioner* with an unequivocal diagnosis of a specified condition and any other evidence we may reasonably require.

15. Exclusions – when AIA won't pay a benefit

AIA will not pay any benefit under this *appendix* where the *life assured* dies or becomes terminally ill as a direct or indirect result of an intentional self-inflicted act (whether sane or insane) within 13 months of the *risk commencement date* or, if cover under this *appendix* has been reinstated, the date of reinstatement. This exclusion applies to any subsequent benefit increase you make.

AIA will not pay a Parents Grieving Benefit if death directly or indirectly arises from an injury caused by you, or the *child's* parents or guardian(s).

16. Key terms

accidental death	Death caused solely by violent, accidental, external and visible means.
home country	The country in which the <i>life assured</i> was born or, their country of permanent residence.