



Understanding your policy document

We want you to feel confident with your insurance decisions. This policy document explains how your insurance cover works. It's important that you read it and understand what your insurance does and doesn't cover.

If you have any questions or would like a more detailed explanation of your benefits, you can contact your adviser or get in touch with us directly using the details below.

Making a Claim

We understand that making a claim can be a stressful time in your life, and we're committed to making the process as fast and simple as possible. We also have one of New Zealand's largest and most experienced claims teams and a transparent review process.

If you need to make a claim, we recommend doing so as soon as possible. Our claims team is here to guide you through the process and help you understand the information we need to assess your claim efficiently.

Reviewing your insurance cover

As your life changes, your insurance needs can change too. We recommend reaching out to your adviser regularly to review your insurance. This is especially important if you're celebrating a milestone – for example a career move, house move, a change in your relationship status, adding to your family, or increasing or decreasing your debt.

We're here to help

If you have any questions about your cover, would like to discuss other products and services, or need to make a claim or complaint, we're always here to help.

- **Talk to your adviser**
Keep in touch with your adviser, they're there to help and will be able to support you at any stage should you need it.
- **Talk to us**
Our Customer Relationship Team is available Monday to Friday, from 8:00am to 6:00pm. You can Live Chat with us at aia.co.nz/chat or call us on 0800 500 108.

Product enhancements

We want to look after you today and in the future. That's why from time to time we may enhance products to ensure that they remain modern and relevant.

Going forward you can find information about product enhancements and how they may be applicable to you by visiting aia.co.nz

Contents

1	What are your policy benefits	3
2	Enhancement Pass Back Benefit	3
3	What are your cover options? <ul style="list-style-type: none">> Benefit indexation type> Level cover> Inflation cover> Voluntary alterations to cover	3
4	Your <i>premiums</i> <ul style="list-style-type: none">> <i>Premium</i>> Method of paying <i>premiums</i>> What happens if you do not pay the <i>premium</i> on time?> When can the <i>premium</i> change?> <i>Premium</i> type> How will you know what to pay?> Other circumstances that can change your <i>premium</i>	3
5	How to make a claim	5
6	When can your policy be cancelled? <ul style="list-style-type: none">> When can you cancel your policy?> When can AIA cancel your policy?	5
7	Important Information <ul style="list-style-type: none">> What forms part of this policy contract?> Law changes affecting AIA or the policy> Statutory Fund> Policy subject to laws of New Zealand> Notices> Transfer of ownership> Information about your policy> Worldwide cover> How do you make a complaint?> No surrender value	6
8	Key Terms	7

1. What are your policy benefits?

Your **AIA Living** policy can provide financial assistance in the event of death, disability, redundancy, or a critical *condition*.

Details of the benefits you have chosen, and the *life/lives assured* are shown in *the schedule*. The terms of your benefits are contained in the relevant *appendix*. AIA will pay all benefits to the *policy owner*, or to the *policy owner's* estate. If more than one person owns the policy then AIA will pay all benefits to the *policy owners* jointly or as they jointly direct, or to the survivor(s) of the *policy owners*. Your cover starts on the *risk commencement date*.

Your policy contains options on the type of cover, and *premium* types and guarantees which are detailed below.

If there is any inconsistency between these terms and your *appendix*, then the *appendix* will prevail.

Some words in this document and any relevant *appendix* are italicised indicating they are key terms that are defined in either 'Section 8: Key terms' of this wording or in the key terms of the relevant *appendix*.

2. Enhancement Pass Back Benefit

If at any time in the future, we make a change to a section and/or *condition* within a section of our **AIA Living** policy and the change is favourable to you, the enhanced section and/or *condition* will automatically be applied (passed back) to this policy, subject to the following:

- > At claim time AIA will compare the enhanced section and/or *condition* in the latest version of **AIA Living** with this policy and will apply the section and/or *condition* that is most favourable to you. AIA will not apply changes to sections and/or *conditions* set out in earlier versions of **AIA Living** which are not included in the latest version.
- > The enhanced section and/or *condition* will only be applied to this policy if it relates to a benefit for which you have cover under this policy.
- > The enhanced section and/or *condition* will be 'applied' to this policy with effect from the *pass back date*.
- > The enhanced section and/or *condition* will only apply if the *claim event* first occurs on or after the *pass back date*. Eligibility criteria for individual benefits will still apply.
- > If the *claim event* first occurred before the *pass back date*, then the claim will not be assessed or reassessed using the new wording.
- > Any underwriting exclusions or special terms that apply to this policy will not be altered by any enhanced section and/or *condition*.
- > Any associated increase in *premium* required will be applied when your *premiums* are next reviewed.
- > Enhancements to sections and/or *conditions* that relate to optional benefits within an *appendix* will only be passed back where the optional benefit(s) are listed in *the schedule*.

- > Enhancements will not be passed back to built-in benefit sections and/or *conditions* that have subsequently become optional benefits within an *appendix* or no longer exist.

For the avoidance of doubt, where the definition of a *condition* or *conditions* is enhanced under this benefit, the enhancement will only be applied in respect of that *condition* or the *conditions* you are making a claim for.

If the nature of the change to a section and/or *condition* means that it cannot be determined at the time of submitting a claim whether the change will be clearly favourable to you or not, you will need to elect whether or not the change will apply to the claim. After you have made the election, this election cannot be changed.

3. What are your cover options?

Your cover starts on the *risk commencement date*.

Level cover (specified in *the schedule* as Level)

The amount of cover under the relevant benefit will remain constant.

Inflation cover (specified in *the schedule* as CPI Linked)

The amount of cover under the relevant benefit will increase at the start of each *policy year* by an amount we determine with reference to the annual percentage increase in the *consumers price index*, subject to any maximum benefit amounts allowable under the benefit. If the *consumers price index* falls in any year, the inflation-linked benefit amounts will not decrease.

You can write to AIA if you do not want the amount of cover under the relevant benefits to be increased for a particular year.

Voluntary alterations to cover

You may apply to AIA in writing to increase or reduce the amount of cover for existing benefits, or add other benefits to the policy.

AIA does not have to accept an application for any increase in existing cover. Any acceptance will depend on a number of factors, including the state of health of the *life assured*.

You may add other benefits so long as the *life assured* meets AIA's usual requirements for those benefits.

Any increase or reduction in cover will start from the next *premium due date* after AIA accepts your application.

4. Your premiums

Premium

- > To ensure your policy remains in force you must pay the *premium* on a regular basis as agreed with AIA.
- > The initial *premium* is shown in *the schedule*, the first payment is due to AIA on the first *premium due date*.
- > The *premium* amount may change from time to time (as described below) and you will need to pay the new *premium* on the agreed regular basis. AIA will advise you of the new *premium* before the change.

- > The policy illustration enclosed with this policy document gives details of the indicative changes.

Method of paying premiums

You must pay all *premiums* to AIA. *Premiums* can be paid by direct debit, credit card or debit card. *Premium* payments are not effective until after they have been credited and cleared to AIA's bank account.

What happens if you do not pay the premium on time?

You have 30 days' grace in respect of any *premium* due. AIA will be entitled to cancel your policy by written notice to you at your last known address if a *premium* remains outstanding 31 days after a *premium due date*.

If you want to have the policy reinstated, you must write to AIA. AIA does not have to reinstate the policy but may do so on any conditions it considers appropriate.

If AIA has to pay a benefit under the policy when a *premium* is overdue, the overdue *premium* may be deducted from the claim payment.

When can the premium change?

There are a number of circumstances that can change the *premium* you pay.

a. Premium type

AIA calculates the *premium* for each of your benefits based on the *premium* type chosen and whether the benefits are Level or CPI linked. *Premiums* can be structured in the following ways:

- > Rate for Age;
- > 10 years;
- > To age 65;
- > To age 80.

The *premium* type(s) you have selected are shown in *the schedule*. How this affects the *premium* you pay is explained below:

- > Where Rate for Age has been selected, your *premium* will be recalculated at each *anniversary date* based on:
 - the age of the *life/lives assured*;
 - the amount of cover for each benefit;
 - AIA's underlying *premium* rates at that time; and
 - any eligible *premium* discounts calculated for the *life/lives assured* (see *premium* discounts below).
- > Where a *premium* type of 10 years, to age 65 or to age 80 has been selected and all benefits are Level, your *premium* has been calculated over the selected period and AIA will only change your *premiums* over the selected period to apply any eligible *premium* discounts calculated for the *life/lives assured* (see *premium* discounts below), or if the underlying *premium* rates change. If the underlying *premium* rates change, then at the next *anniversary date* AIA will recalculate the *premium* to apply for the remainder of the selected period

(subject to any further underlying *premium* rates changes). At the end of the selected period, the *premium* type will convert to Rate for Age.

Notwithstanding the above, for Life Cover, Family Protection and Accidental Death benefits, AIA guarantees the underlying *premium* rates (subject to relevant changes in taxation or legislation).

- > Where a *premium* type of 10 years, to age 65 or to age 80 has been selected and the benefits are CPI linked, your *premium* has been calculated over the selected period and in addition to any underlying *premium* rate changes (see above) your *premium* will increase annually in line with any increase in your benefit. The increase in *premium* will be based on the increase in the sum assured and the age of the *life/lives assured*.

Irrespective of the type of *premium* you have selected:

- > All changes to your *premium* as described above will take effect from the *anniversary date*.
- > Whenever the *premium* is recalculated, the *premium* will not be affected by any change in health of a *life assured* which has occurred since the benefits were first added to the policy.
- > *Premiums* will always be based on *premium* rates adopted by AIA for each benefit so that no single *life assured* can have his or her *premium* recalculated in isolation.
- > *Premiums* may be re-calculated at each *anniversary date* to take account of changes to *premium* discounts.

Any *policy fee* will normally increase annually in line with the *consumers price index*. However, if all benefits for all *lives assured* are Level and the *premium* type selected is 10 years, to age 65 or to age 80 then the *policy fee* will also remain unchanged until the end of the selected period.

Premium increases will always be applied across a class of business. No increase in *premium* will apply to your own policy based on your own claim experience.

b. Premium discounts

In addition to the *premium* type chosen, there are two *premium* discounts that may reduce the *premium* (excluding any applicable *policy fee*) you pay.

> Multi-benefit discount

(if applicable) The amount of multi-benefit *premium* discount you are eligible to receive for each *life assured* will be recalculated:

- on each *anniversary date* based on the type and number of qualifying benefits held for each *life assured*; and
- at any time when you add other benefits to the policy or increase or reduce the amount of benefits under the policy for each *life assured*.

subject to the AIA Multi-Benefit Premium Discount Eligibility Rules or any subsequent version thereof.

> **AIA Vitality discount**

(if applicable) You may qualify for a *premium* discount on the *premiums* you pay for any *life assured* who has an *AIA Vitality* membership.

The amount of the *premium* discount the *life assured* is eligible to receive will be calculated on each *anniversary date* in accordance with the *AIA Vitality Premium Adjustment Rules* provided at aia.co.nz/vitality as at that date.

AIA reserves the right, at any time and at their sole discretion, to:

- > Vary or restrict the qualifying benefits or products eligible for either of the abovenamed *premium* discounts;
- > Vary or withdraw any of the abovenamed *premium* discounts based on business rules; or
- > Cease offering any of the abovenamed *premium* discounts by giving at least 90 days' notice in writing to the *policy owner(s)* (in which case they will cease across all *AIA Living* policies).

c. **Other circumstances that can change your premium**

The other circumstances in which your *premium* will change are as follows:

- > When you add other benefits to the policy or increase or reduce the amount of benefits under the policy.
- > When you add or delete a *life assured* or *lives assured* to or from this policy.
- > When you request, and we agree to, a change in *premium* type.
- > When a claim is paid and the benefit ceases as a result of the payment being made.
- > When a benefit ceases due to the *life assured* covered for that benefit attaining the benefit expiry age as specified in *the schedule*.
- > Any changes to the tax treatment of any *premium* payable or claims receivable in respect of the policy (such as changes to GST).

How will you know what to pay?

Each year prior to the *anniversary date*, *AIA* will write to you and tell you how much the *premium* will need to be to maintain your existing cover.

If *AIA* tells you that your benefit *premiums* need to increase to maintain your existing benefit amounts, you can choose to:

- > increase the *premium* to maintain the existing benefit amounts; or
- > reduce the benefits to the amount which your existing *premium* will cover.

5. How to make a claim

For any claims enquiries, advice about submitting a claim or before incurring any costs in respect to a claim, please phone the *AIA* Claims Team or your adviser for assistance.

AIA Claims Hotline: 0800 500 108

Information that may be required for each different type of benefit is detailed in the benefit *appendix*.

AIA will tell you about any other information that may be required once notice of the claim has been received.

AIA is under no obligation to consider a claim unless all of the information requested is provided. Furthermore, *AIA* is under no obligation to assess or pay a claim prior to receiving notification.

AIA may also ask any *life assured* to undergo further medical examinations throughout the life of the claim. Any requests made by *AIA* for further medical information will be at our expense.

6. When can your policy be cancelled?

When can you cancel your policy or individual benefits?

If for any reason you are not happy with your policy or individual benefits you may return it to us within 15 days from the date your policy document is received. You will be deemed to have received your policy document five days after postage from *AIA*. *AIA* will promptly refund any *premiums* paid under your policy provided that no benefit has been paid or any claim has been made. Alternatively changes to your policy or individual benefits may be made and a replacement policy document issued.

You can cancel your policy or individual benefits at any time by giving *AIA* notice in writing. If you have elected to pay *premiums* less frequently than monthly, we will refund any part of a *premium* already paid for this policy or the cancelled benefits to cover any period of more than one month beyond the date of cancellation (being the date we receive the cancellation notice). Otherwise, we do not have to refund any *premiums* or part of *premiums* already paid. You will remain liable to pay any *premium* due on the policy before *AIA* received the cancellation notice.

From (and including) the date *AIA* receives notice of cancellation of your policy, you will not be entitled to any benefits under the policy, unless otherwise agreed in writing by *AIA*.

From (and including) the date *AIA* receives notice of cancellation of any individual benefits, you will not be entitled to any of the cancelled benefits under the policy, unless otherwise agreed in writing by *AIA*.

When can AIA cancel your policy?

AIA can cancel this policy if the *premium* has not been paid within 31 days of the *premium due date*.

If *AIA* issues you this policy with the understanding that it is to replace a policy, you already have then you must cancel your existing policy. If you fail to cancel your existing policy, *AIA* can cancel this policy or decline liability for any claims made under this policy. A Replacement Policy Advice form (or equivalent), application form, illustration or quote which

indicates this policy is intended to replace an existing policy will be sufficient evidence that your policy was issued on the basis that you would cancel the existing policy.

AIA can cancel this policy and decline liability for any claims made under this policy if you or any *life assured*, or anyone acting on your or any *life assured's* behalf, makes a claim under this policy that is false or fraudulent in any respect.

In the event that a false or fraudulent claim is established after payment of a claim, all amounts paid in relation to the false or fraudulent claim must be repaid by you to AIA.

Cancellation due to Sanctions

We shall not provide cover for any risk and/or activity and shall not be liable to pay any claim or pay any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would be in respect of a person who is the subject of any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of New Zealand, the European Union, United Kingdom or United States of America, or any of its states and/or any other applicable economic or trade sanction laws or regulations.

This provision applies without limitation not only to the *policy owner* or holder, but to the *life assured* and any assignee, other third party, related party or beneficiary of the policy.

Should we determine that the above is applicable, we may at our sole discretion terminate the policy with immediate effect.

Non-disclosure or the provision of false or misleading information

Any information you or any *life assured* gives us, and any information given to us on your behalf, must be complete, true and correct.

If you or any *life assured*:

- > fails to disclose *material* information to AIA prior to inception of this policy or any variation or reinstatement of this policy; or
- > has made a *substantially incorrect* statement on the faith of which the policy was issued, renewed, varied or reinstated.

AIA may, at its complete discretion either:

- > subject to the Insurance Law Reform Act 1977, avoid your entire policy from its inception (this means the policy is deemed to have never existed); or
- > avoid from its inception any individual benefits provided by your policy (this means the individual benefit(s) are deemed to have never existed); or
- > alter the terms upon which cover is provided under your policy (such alteration of terms will be effective from the *risk commencement date* or such date of our choosing, at our discretion); or
- > remove from cover any *life assured* from inception but leave the policy in force for the remaining *lives assured*.

If this policy is avoided or any terms altered or a *life assured* is removed from cover, we may retain all *premiums* paid in relation to the policy or that *life assured*.

7. Important information

What forms part of this policy contract?

All the terms of this policy are contained in and based on:

- > This policy document including *the schedule* and any alterations made as permitted under the policy.
- > The relevant benefit *appendix*.
- > Any application forms and declarations made by you and any *life assured*, at any time, concerning this policy.
- > All statements which anybody who is insured under this policy has made to AIA.
- > Any provisions which any legislation states must be included in this contract, unless those provisions can be contracted out of, in which case they are not included.

Nothing else forms part of this contract.

Law changes affecting AIA or the policy

If changes in the law occur after the *risk commencement date* and AIA believes on reasonable grounds that those changes will affect:

- > AIA's liability to pay any tax; or
- > The tax treatment of any *premiums* payable or claims receivable in respect of the policy (such as GST); or
- > The way in which the policy works or the amount which can be paid under benefits;

then AIA can change the provisions of the policy or the benefits, but only to take into account the effect of the law change.

Statutory Fund

Your insurance policy is part of the Statutory Fund Number 1.

Policy subject to laws of New Zealand

The laws of New Zealand govern this policy, which has been issued in New Zealand.

Notices

When you write to AIA about this policy, you must send the letter to AIA's head office in New Zealand or a substitute address AIA gives you.

The postal address of AIA's head office is:

Freepost AIA
Private Bag 92499
Victoria Street West
Auckland 1142
New Zealand

The street address of AIA's head office is:

AIA New Zealand Limited
AIA House
74 Taharoto Road
Takapuna
Auckland 0622
New Zealand

If more than one person owns this policy, all the *policy owners* must sign any letter or notice to AIA. However, AIA

will not be liable to any *policy owner* if we act on a letter or notice signed by one or more, but not all, of the *policy owners*.

AIA is not bound by anything contained in a letter or notice you send unless we actually receive the letter or notice at the relevant address.

When AIA writes to you about this policy, we will send the letter or notice to the address for the *policy owner* shown in *the schedule*, or to the email address(es) provided for the *policy owner* in the application for this policy, or any substitute postal and/or email address(es) you give us.

You must immediately notify AIA of any changes to your postal, residential or email address. Every notice required to be given to you by AIA shall be deemed to be delivered five days after having been posted, or, where the notice is sent by email, 24 hours after the email has been sent.

Transfer of ownership

You may transfer the ownership of your policy at any time.

To be valid the transfer must be on a *transfer of ownership form* and registered with us. If ownership of your policy has been transferred, references in this policy document to you, your and the *policy owner(s)* are references to the most recent transferee(s).

A trust cannot be the owner of this policy. No charge is payable for a transfer of ownership of the policy.

Information about your policy

Shortly before each *anniversary date*, AIA will send you a letter containing information about your policy.

You may at any time write to AIA or your *AIA accredited Adviser* for further information about your policy.

Worldwide cover

This policy and benefits cover the *lives assured* anywhere in the world. All payments AIA makes under this policy will be in New Zealand dollars.

How do you make a complaint?

Complaints by *policy owners* to AIA must be made in writing. If the *policy owner* is not satisfied with the outcome of the complaint, they may have the right to refer the complaint to the Insurance and Financial Services Ombudsman. The Ombudsman can only deal with a complaint after AIA's internal complaints procedure has been exhausted and a letter acknowledging this has been sent to the complainant.

You can obtain more information about the Ombudsman from the website: www.ifso.nz

The Ombudsman's address is:

Insurance and Financial Services Ombudsman
PO Box 10-845
Wellington 6143
Phone: (04) 499 7612 or 0800 888 202

No surrender value

This policy does not participate in the profits of AIA. The policy has no surrender value or cash value if it is cancelled.

8. Key terms

In this policy document and optional benefit appendices some words have special meanings:

ACC	The Accident Compensation Corporation of New Zealand (or any organization or agency executing or administering the Accident Compensation Act 2001).
accident	Injury caused by violent, accidental, external and visible means.
accredited Adviser	Either an Adviser with a current financial adviser agreement with AIA Services Limited or a member of a financial services industry body approved by AIA.
AIA	Means AIA New Zealand Limited, also referred to in this policy as 'we', 'our' or 'us'.
AIA policy/policies	Any policy or policies where AIA is the insurer, this includes any <i>related policy/policies</i> issued by either: Sovereign Assurance Company Limited or AIA International Limited, New Zealand Branch.
AIA Vitality	Means AIA Vitality, a health and wellbeing programme offered by AIA.
anniversary date	The anniversary in each year of the first <i>premium due date</i> .
annual salary	Regular remuneration that is subject to PAYE, excluding allowances in lieu of non-monetary remuneration and extra income such as, but not limited to, bonuses and overtime payments.
appendix	The appendix contains the terms of any benefit you have chosen.
child/children	Any biological child/children, adopted child/children or child/children under the legal guardianship of: <ul style="list-style-type: none">> a <i>life assured</i>; or> the spouse, civil or de facto partner of a <i>life assured</i>.
claim event	The death, illness, injury, <i>condition</i> , or redundancy that you are claiming for under your AIA Living policy.

condition(s)	As defined in the Optional Benefit <i>Appendix</i> for Critical Conditions Benefit and Progressive Care Benefit.	registered medical practitioner(s)	A person, acceptable to AIA, who holds a current practising certificate in compliance with the Health Practitioners Competence Assurance Act 2003 (or its successor) and who is registered and practising as a medical practitioner in New Zealand or Australia, other than: <ul style="list-style-type: none"> > The <i>policy owner(s)</i>; > The <i>life assured</i>; > A family member of the <i>life assured</i> or <i>policy owner(s)</i>; or > The business partner or associate of a <i>life assured</i> or <i>policy owner</i>. <p>AIA reserves the right to accept the advice of a medical practitioner practising outside New Zealand or Australia with qualifications equivalent to New Zealand or Australian standards.</p>
consumers price index	The Consumers Price Index (all groups) issued by the Government Statistician as at 30 September each year, or any index which may replace that index.		
close relative	A relative who is the <i>life assured's</i> spouse, civil or de facto partner, mother, father, stepmother, stepfather, brother, sister, stepbrother, stepsister, <i>child</i> , grandfather or grandmother.		
life/lives assured	The person or people insured for the benefit(s) as named in <i>the schedule</i> .		
material	A statement is material only if that statement would have influenced the judgment of a prudent insurer in fixing the <i>premium</i> or in determining whether he/she would have taken or continued the risk upon the same terms.	related policy/policies	Any in force policy/policies for the <i>life assured</i> that were issued on or before the 4 th August 2019, where: <ul style="list-style-type: none"> > Sovereign Assurance Company Limited ('Sovereign') was the insurer; and/or > AIA International Limited, New Zealand Branch ('AIA International') was the insurer. <p>AIA in its sole discretion may pay more than one benefit, or more than the stated maximum sum assured for the same <i>claim event</i> should the <i>life assured</i> have cover under one or more <i>related policy/policies</i> through both Sovereign and AIA International.</p>
pass back date	The date that the relevant change to AIA's Living policy comes into effect, as determined by AIA.		
policy fee	The administration fee charged by AIA as detailed in the policy illustration or in any communication to you containing information about your policy.		
policy owner(s)	The person or people named as 'policy owner' in <i>the schedule</i> , also referred to in this policy as 'you' or 'your'.	risk commencement date	The commencement date of the benefit, as shown in <i>the schedule</i> .
policy year	The period from the <i>risk commencement date</i> to (but excluding) the first <i>anniversary date</i> , or from an <i>anniversary date</i> to (but excluding) the next <i>anniversary date</i> .	specialist	A <i>registered medical practitioner</i> who is a member of an appropriately recognised specialist college and has authority granted under the Health Practitioners Competence Assurance Act 2003 (or its successor) to perform that health service and has Medical Council of New Zealand (or its successors) vocational registration for that health service.
premium	The amount payable by you to AIA under this policy, comprising the cost of the benefits chosen by you, plus any applicable <i>policy fee</i> , less any eligible <i>premium</i> discounts if any.		
premium due date	The date on which the <i>premium</i> is payable under the policy, as agreed with AIA.	substantially incorrect	A statement is substantially incorrect only if the difference between what was stated and

what is actually correct would have been considered *material* by a prudent insurer.

the schedule

The most recent schedule for your policy and:

- > any notice of a change to *premiums*; and
- > any policy alteration or endorsement documents recording a change to your policy.

transfer of ownership form

AIA's standard form for an assignment of a policy by way of ordinary transfer.

SAMPLE