

# Premium Cover



The following terms and conditions of Premium Cover tell you:

- › the definitions of Total Disability and Partial Disability a life assured needs to meet to claim under this cover
- › what benefits are available under this cover and how they work.

You must read these terms and conditions together with the general terms of your policy.

## **Total disability and partial disability have particular meanings**

In this section for Premium Cover, total disability and partial disability have the definitions below.

### **The definition of total disability depends on the life assured's occupation class**

The definition of total disability that would apply depends on the life assured's *occupation class*.

You can find the definition of *occupation class* on page 15 of the general terms.

### **A total disability if the life assured's occupation class is 1, 2, 3, or 4**

This definition applies to a life assured in *occupation class* 1, 2, 3 or 4.

The life assured is totally disabled if an *illness* or *injury* causes all the following to apply.

- › The life assured is unable to work, and isn't working, more than 10 hours a week in their *pre-disability occupation*.
- › The life assured isn't working in any other *gainful occupation*.
- › The life assured is under the regular care of, and following the advice and treatment of, a *medical practitioner*.

### **A total disability if the life assured's occupation class is 5**

This definition applies to a life assured in *occupation class* 5.

The life assured is totally disabled if an *illness* or *injury* causes all the following to apply.

- › The life assured is continuously confined to home or hospital under medical supervision and unable to perform at least two of the *activities of daily living* without the help of another adult.
- › The life assured is under the regular care of, and following the advice and treatment of, a *medical practitioner*.

### **A partial disability if the life assured's occupation class is 1, 2, 3 or 4**

This definition applies to a life assured in *occupation class* 1, 2, 3 or 4.

The life assured is partially disabled if an *illness* or *injury* causes them to be unable to earn more than 75 percent of their *pre-disability income* from their *pre-disability occupation*.

Both of the following must also apply.

- › The life assured is working in their *pre-disability occupation* or any other *gainful occupation*.
- › The life assured is under the regular care of, and following the advice and treatment of, a *medical practitioner*.

If the life assured's *occupation class* is 5, the Partial Disability Benefit will not apply.



## Getting an outline of your benefits

The table below summarises this cover's benefits and tells you where you can read the full terms of each benefit.

### Built-in benefits

Your Premium Cover includes these benefits.

Benefit	Summary	Full terms
<b>Disability Benefit</b>	You won't have to pay your premiums if the life assured has a total disability or partial disability.	<b>Page 3</b>
<b>Recurrent Disability Benefit</b>	We can waive the <i>waiting period</i> if a disability comes back within 12 months of a claim ending.	<b>Page 3</b>
<b>Redundancy, Bankruptcy and Liquidation Benefit</b>	You won't have to pay your premiums if the life assured is made redundant, declared bankrupt or their company goes into liquidation.	<b>Page 4</b>
<b>Bereavement Loyalty Benefit</b>	If a life assured dies, you won't have to pay the total premium for the remaining lives assured for up to 2 years.	<b>Page 4</b>



## Understanding your benefits

This section details the benefits we include in Premium Cover.

### Disability Benefit

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Under the Disability Benefit, we'll pay the total premium needed to continue this policy if an *illness* or *injury* leaves the life assured totally or partially disabled.

#### When we'll pay this benefit

We'll pay your premiums while this policy is in force, if all the following apply because of the same *illness* or *injury*.

- › The life assured has a total disability or partial disability continuously during the *waiting period*.
- › The life assured has a total disability or returns to work with a partial disability at the end of the *waiting period*.

The *waiting period* starts on the first day the life assured has a total disability or partial disability.

We'll also pay your premiums under this benefit if we're paying a Total Disability Benefit or Partial Disability Benefit claim for one of our Income Covers or Mortgage Repayment Cover for the same life assured under this policy.

#### We'll pay the total premium needed to continue this policy

If we accept your claim for the Disability Benefit, we'll pay the regular total premium needed to continue this policy. We'll refund any premiums paid that relate to the *waiting period*.

#### If you pay your premiums every year or half-year, we'll refund them instead of paying them

If you pay your premiums every year or half-year, we'll refund an amount each month equivalent to the monthly total premium. This refund continues until the next day your premiums are due, at which point we'll start paying your total premiums needed to continue this policy.

#### You'll need to pay if you increase your cover

If you increase your cover or add new covers to this policy while we're paying your premiums, you'll need to pay for any increase in premiums. You won't need to pay the extra premiums on cover if the increase is because of inflation.

#### When we'll stop paying premiums

We'll stop paying premiums when one of the following happens.

- › The life assured is no longer totally disabled or partially disabled.
- › The *payment term* ends.
- › The *cover term* ends.
- › The life assured dies.

### Recurrent Disability Benefit

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With the Recurrent Disability Benefit, you can get support if the life assured's total disability or partial disability comes back within 12 months after their claim ends.

#### When this benefit applies

The Recurrent Disability Benefit applies if all the following apply.

- › We were paying a Disability Benefit claim for a life assured.
- › After that claim has ended, the life assured is totally disabled or partially disabled again because of the same *illness* or *injury*.
- › The total disability or partial disability returns within 12 months of the Disability Benefit claim ending.

#### How we'll assess your continuing claim

When this benefit applies, we'll assess your Disability Benefit claim for the same *illness* or *injury* as if there was no *waiting period*.

You'll need to make a new claim and the *waiting period* will restart if the returning total disability or partial disability was not caused by the same *illness* or *injury*, or it comes back after 12 months of the Disability Benefit claim ending.



## Redundancy, Bankruptcy and Liquidation Benefit

With the Redundancy, Bankruptcy and Liquidation Benefit, we can pay your premiums if a life assured is made redundant, is adjudged bankrupt, or if their company goes into liquidation.

### When we'll pay this benefit

We'll pay your premiums under the Redundancy, Bankruptcy and Liquidation Benefit if all the following apply.

- › The life assured's *occupation class* is 1, 2, 3, or 4.
- › The life assured is either:
  - made redundant from *full-time employment*
  - *self-employed* and adjudged to be bankrupt in New Zealand
  - employed in New Zealand by a company they control, and that company goes into liquidation because it can't pay its debts
- › The life assured remains redundant or bankrupt, or their company remains in liquidation, at the end of the *waiting period*.

The *waiting period* starts the day the life assured is made redundant, is adjudged bankrupt, or their company goes into liquidation.

### The life assured is made redundant if their employer doesn't need their position anymore

The life assured is made redundant when their *full-time employment* permanently ends because their employer doesn't need their position any more. Voluntary redundancy is not covered.

### Send us proof the life assured has been made redundant and is looking for work

We need written confirmation from the life assured's employer that they've made the life assured redundant.

We also need proof the life assured has registered as unemployed with either:

- › a suitable employment agency that we approve
- › Work and Income New Zealand, or its equivalent.

Each month, send us proof the life assured is actively looking for work. For example, you could send us:

- › proof the life assured is registered with a suitable employment agency
- › copies of job applications, and responses to the applications.

### We'll pay the total premium needed to continue this policy

If we accept your claim for the Redundancy, Bankruptcy and Liquidation Benefit, we'll pay the regular total premium needed to continue this policy, starting at the end of the *waiting period*.

### If you pay your premiums every year or half-year, we'll refund them instead of paying them

If you pay your premiums every year or half-year, we'll refund an amount each month equivalent to the monthly total premium starting at the end of the *waiting period*. This refund continues until the next day your premiums are due, at which point we'll start paying your total premiums needed to continue this policy.

### You'll need to pay if you increase your cover

If you increase cover or add new covers to this policy while we're paying your premiums, you'll need to pay for any increase in premiums. You won't need to pay the extra premiums on cover if the increase is because of inflation.

### When we'll stop paying premiums

We'll stop paying your premiums when one of the following happens.

- › We've paid your premiums under the Redundancy, Bankruptcy and Liquidation Benefit for 6 months.
- › The life assured returns to *full-time employment* or *self-employment*.
- › The *cover term* ends.
- › The life assured dies.

### The life assured must have full-time employment for 6 months between claims

The life assured must have been in *full-time employment* for at least 6 months in a row between claims.

## Bereavement Loyalty Benefit

With the Bereavement Loyalty Benefit, we can pay your premiums if a life assured dies.

### We can pay your premiums for up to 2 years

If a life assured dies, we'll pay the total premium for the remaining lives assured on this policy for up to 2 years.

### You can only get this benefit if you've had this policy for 3 years

You can only get this benefit if this policy has been in force for at least 3 years in a row.

### You'll need to pay if you increase your cover

If you increase cover or add new covers to this policy while we're paying your premiums, you'll need to pay for any increase in premiums. You won't need to pay the extra premiums on cover if the increase is because of inflation.



## Understanding what we don't cover

In some cases we won't pay your premiums for a life assured's disability or redundancy.

### **We won't cover disabilities in some situations**

We won't pay your premiums under this cover if the life assured becomes totally disabled or partially disabled as a direct or indirect result of:

- › Intentional self-harm, including attempted suicide
- › Pregnancy or complications resulting from pregnancy, unless the disability lasts more than 90 days after the pregnancy
- › Taking part in a criminal activity

### **The life assured must follow medical advice**

We also won't pay your premiums, and we'll stop paying your premiums, if the life assured isn't under the regular care of, or doesn't follow the advice and treatment of, a *medical practitioner*.

### **We won't cover redundancy in some situations**

We won't pay any premiums under this cover if the life assured is made redundant when any of the following apply.

- › The life assured knew they would be made redundant or that they might be made redundant when this cover started.
- › The life assured was made redundant because their *fixed-term employment* contract expired, or their employer didn't renew it.
- › The life assured was *self-employed*.
- › The life assured voluntarily resigned, took redundancy or retired.
- › The life assured or their relative controls the employer in any way, for example by being a director, shareholder, or owner. A relative is a partner, parent, child, or sibling of the life assured.
- › The life assured was made redundant from seasonal, temporary, or relief work.
- › The life assured was involved in a strike or labour dispute that caused or resulted in the redundancy.

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