

Group insurance policy document.

Life and Total and Permanent Disablement.

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A. Introduction.

1. Group Life and Total and Permanent Disablement policy.

1.1. This policy insures, as one group, those **employees** of the **employer** who qualify for cover under it and who become **insured persons**.

1.2. It states the terms upon which **employees** of the **employer** become **insured persons** and the benefits they are entitled to.

1.3. There must be a minimum of ten **insured persons** covered under this policy unless **we** explicitly state otherwise in the **schedule**.

2. Interpretation.

2.1. The words that appear in bold font in this policy are defined in Part M - Definitions of this policy or the **schedule**. The definitions apply to all derivatives of the words defined.

2.2. This policy consists of the following documents, which must be interpreted as one contract:

2.2.1. The acceptance of quote form and all declarations supplied by the **policy owner** in relation to this policy, and

2.2.2. This policy wording, and

2.2.3. The **schedule** to this policy wording.

2.3. If there is any inconsistency between the policy wording and the **schedule**, the words in the **schedule** prevail.

2.4. Headings are only used in this policy to assist the reader in navigating it. They do not form part of the contract and are not to be considered when interpreting it.

B. Who is covered and when.

3. Compulsory for all eligible employees.

3.1. This policy is compulsory for all **eligible employees** unless **we** state otherwise in the **schedule**.

4. Eligible employees previously insured.

4.1. **Eligible employees** will become **insured persons** under this policy from the **start date**, without **us** requiring any **evidence of insurability** if:

4.1.1. They were insured under a Group Life and Total and Permanent Disablement insurance policy arranged by the **employer** immediately before the **start date** of this policy, and

4.1.2. Immediately before the **start date**, they were not eligible for a benefit under that policy and they were not within any waiting or stand-down period under that policy, and

4.1.3. **We** agree to provide this 'takeover cover' to the **employer**.

4.2. These **eligible employees** become **insured persons** under this policy on the following basis:

4.2.1. The Death Benefit and Total and Permanent Disablement Benefit for each **insured person** cannot exceed the higher of:

a. The amount of cover provided immediately before the **start date** under the previous group policy; and

b. The **automatic acceptance limit**;

unless they provide **evidence of insurability** to **our** satisfaction; and

4.2.2. **We** will not apply any non-standard terms and conditions to the **eligible employee** that are less favourable than those applying to him or her under the previous group policy.

4.2.3. If an **eligible employee** is listed as not **at work** on the **At Work Certificate** due to illness or injury the following applies to the Total and Permanent Disablement Benefit only:

a. He or she will have new events cover for the Total and Permanent Disablement Benefit from the **start date**, and

b. Full Total and Permanent Disablement Benefit cover will commence when he or she is **at work**.

New events cover is cover for any illness or injury except for the illness or injury that has directly or indirectly caused the **eligible employee** not to be **at work** on the **start date**.

To be covered for new events they must not have received, or must not be entitled to receive, a lump sum payment for **total and permanent disablement**, or **terminal illness** from a previous insurer.

4.3. The **policy owner** must advise **us** of the names of the **eligible employees** who become **insured persons** under this Clause 4 and any other information that **we** require within 30 days of the **start date**.

5. Eligible employees not previously insured.

5.1. **Eligible employees** who were not insured under a Group Life and Total and Permanent Disablement insurance policy arranged by the **employer** immediately before the **start date** of this policy become **insured persons** under this policy from the **start date** (subject to Clauses 5.4 and 5.5 below), without **us** requiring any **evidence of insurability**.

5.2. Their Death Benefit and Total and Permanent Disablement Benefit cannot exceed the **automatic acceptance limit** unless they provide **evidence of insurability** to **our** satisfaction.

5.3. The **policy owner** must advise **us** of the names of the **eligible employees** who become **insured persons** under Clause 5.1 above and any other information that **we** require within 30 days of the **start date**.

5.4. If the **eligible employee** is listed as not **at work** on the **At Work Certificate**, cover for death, **terminal illness** and the Personal Accident Option will start when he or she is **at work**.

5.5. If, on the **start date**:

5.5.1. The **automatic acceptance limit** has been withdrawn by **us** under Clause 10.3 below, or

5.5.2. The **eligible employee** has previously declined the opportunity to apply for insurance cover under any Group Life and Total and Permanent Disablement insurance policy arranged by the **employer**, or

5.5.3. For **total and permanent disablement** cover, the **eligible employee** is listed as not **at work** on the **At Work Certificate**;

the **eligible employee** cannot become an **insured person** without providing **us** with **evidence of insurability** that is acceptable to **us**. Once **we** have received this evidence and any other information **we** reasonably require, **we** will decide whether the **eligible employee** will become an **insured person** and if so, on what terms and from what date. **We** will notify the **policy owner** of **our** decision and, if applicable, notify the terms of cover and the date the cover starts.

6. Employees who become eligible employees after the start date.

6.1. **Employees** who become **eligible employees** after the **start date** become **insured persons** under the policy (subject to Clause 6.2 below) on the following basis:

6.1.1. No **evidence of insurability** is required by **us**, and

6.1.2. The Death Benefit and Total and Permanent Disablement Benefit for each **insured person** will not exceed the **automatic acceptance limit** unless they provide **evidence of insurability** to **our** satisfaction.

6.2. This applies if:

6.2.1. The **eligible employee** is either **at work** or on **parental leave** on the date he or she becomes an **eligible employee**, and

6.2.2. The **automatic acceptance limit** has not been withdrawn by **us** under Clause 10.3 below.

6.3. The **policy owner** must advise **us** of the names of the **eligible employees** who become **insured persons** under Clause 6.1 above and any other information that **we** require within 30 days of the next **review date** or any other date that **we** agree.

6.4. If Clause 6.2 above does not apply, the **eligible employee** cannot become an **insured person** without providing **us** with **evidence of insurability** that is acceptable to **us**. Once **we** have received the **eligible employee's evidence of insurability** and any other information **we** reasonably require, **we** will decide whether the **eligible employee** will become an **insured person** and if so, on what terms and from what date. **We** will notify the **policy owner** of **our** decision and, if applicable, notify the terms of cover and the date the cover starts.

7. Interim accident cover.

7.1. This cover applies to **eligible employees** who must provide **evidence of insurability** to **us** under Clauses 5.5 and 6.4 above before they can become an **insured person**.

7.2. They are covered if they die or suffer **total and permanent disablement** as a direct result of an **accident** during the period that this interim accident cover applies.

7.3. This interim accident cover starts when they apply to **us** to become an **insured person**, and ends when the earliest of the following occurs:

7.3.1. **We** accept the application;

7.3.2. **We** decide to decline or defer acceptance of the application;

7.3.3. **We** notify the **policy owner** of a special term or condition being imposed in respect of the application;

7.3.4. The date the applicant ceases to be an **eligible employee**;

7.3.5. 90 days from the date **we** receive the application;

7.3.6. The date the applicant reaches the **cover end date**;

7.3.7. The **cancellation date**.

7.4. If **we** accept a claim after receipt of all information **we** reasonably require, **we** will pay the least of:

7.4.1. The amount of the applicable Death Benefit or Total and Permanent Disablement Benefit applied for, and

7.4.2. The **automatic acceptance limit** that applies to the applicable benefit applied for, and

7.4.3. $500,000.

8. Unpaid leave.

8.1. Cover continues for an **insured person** who is temporarily not in **service** under the following circumstances:

8.1.1. The **insured person** is on **parental leave**; or

8.1.2. The **insured person** is on other unpaid leave and before the temporary break in **service**, **we** give written consent for the **insured person's** cover to continue. Any continuation of cover for that **insured person** will:

a. Be subject to any restrictions or special conditions **we** may specify as part of **our** consent; and

b. End no later than 12 months after the date on which the **insured person** was last **at work**; or

8.1.3. The **insured person** has been on **parental leave**, or on unpaid leave due to **accident** or illness, the **employer** has consented for the leave to continue and **we** give written consent for the **insured person's** cover to continue. Any continuation of cover for that **insured person** will:

a. Be subject to any restrictions or special conditions **we** may specify as part of **our** consent; and

b. End no later than 24 months after the date on which the **insured person** was last **at work**.

8.2. Continued cover under Clause 8.1 is subject to the **policy owner** continuing to pay **us** the premiums due in relation to the **insured person** during their leave.

9. Extent of cover.

9.1. The **insured person** is covered 24 hours a day anywhere in the world while in **service**; or

9.2. Once cover is in place, where an **insured person** is temporarily residing overseas, **we** may at **our** sole discretion, provide cover for up to five years for an **insured person** who is working for the **employer** outside of New Zealand.

9.3. Continued cover under Clause 9.2 is subject to:

9.3.1. The **policy owner** continuing to pay **us** the premiums due in relation to the **insured person**, and

9.3.2. The overseas residence continuing to be temporary in nature, and

9.3.3. The cover not otherwise ceasing for them under the policy – see part G – When cover ends, and

9.3.4. The **insured person** not residing in, nor ordinarily present in, any country or region for which the New Zealand Ministry of Foreign Affairs and Trade (MFAT) through the SafeTravel website (www.safetravel.govt.nz), has issued a travel advisory of "Avoid non-essential travel" or "Do not travel" at the time cover applies, or any equivalent travel advisory issued by a substantially similar government authority.

9.4. The **employer** must provide details of all **insured persons** on employer secondment overseas, to **us** at the time **we** prepare the quotation, or at the time **we** last review the premium rates. Temporary visits back to New Zealand of less than 60 days will not constitute an **insured person** returning to New Zealand to reside in New Zealand.

9.5. For the purposes of Clause 9.2 above:

9.5.1. **We** determine whether an **insured person** is residing overseas or in New Zealand having regard to those factors **we** consider are appropriate at the time, and

9.5.2. If **we** require any **evidence of insurability** while cover continues under Clause 9.2, the **policy owner** must meet the cost of meeting that requirement.

9.6. To manage risk exposure, no more than 10% of **insured persons** may be residing overseas at any one time.

If this threshold is exceeded, **we** may review the premium rates, terms, conditions or cover in accordance with Clauses 22.3 to 22.6 below.

C. Automatic acceptance limit and evidence of insurability.

10. Automatic acceptance limit.

10.1. Unless the **insured person** provides satisfactory **evidence of insurability** to **us**, then (subject to Clause 4.2.1 above):

10.1.1. The maximum amount of the Death Benefit and the Total and Permanent Disablement Benefit cannot exceed the **automatic acceptance limit**, and

10.1.2. **We** will not consider any increase for the Death Benefit beyond any **forward acceptance limit**.

10.2. If the **insured person** provides satisfactory **evidence of insurability** to **us**, cover for any portion of the Death Benefit or the Total and Permanent Disablement Benefit above the **automatic acceptance limit** may be subject to additional special conditions, at **our** sole discretion.

10.3. If at any time during the term of this policy, the number of **insured persons** reduces to nine or less **we** may immediately suspend the **automatic acceptance limit**. During this time, at **our** sole discretion, **eligible employees** cannot become **insured persons** without providing satisfactory **evidence of insurability** to **us**. **We** will reinstate the **automatic acceptance limit** as soon as the number of **insured persons** rises to 10 or more.

10.4. If the number of **insured persons** varies by 30% or more since the last **premium variation date**, **we** may, in **our** sole discretion, vary the amount of the **automatic acceptance limit** or any **forward acceptance limit** to an amount **we** consider appropriate, by giving at least one month's prior notice in writing to the **policy owner**. Any variation will only have effect from the date specified in that notice.

10.5. If an **eligible employee** is not automatically accepted for cover under Part B - Who is covered and when above, **we** will require satisfactory **evidence of insurability** in order for the **eligible employee** to become an **insured person**.

D. Benefits.

11. Who we pay.

11.1. **We** will pay all benefits to the **policy owner** or to any person as directed by the **policy owner.**

11.2. Unless the **schedule** states that some or all of the benefits are designated 'Key Person', the **policy owner** will immediately forward the benefit to the **insured person**, or his or her personal representative, beneficiary or dependant (as determined by the **policy owner** in its sole discretion). The **policy owner** has no beneficial interest in this policy.

12. Death Benefit.

12.1. **We** will pay the amount of the Death Benefit shown in the **schedule**, if an **insured person** dies while he or she has cover under this policy.

12.2. However, **we** do not pay the Death Benefit if, before his or her date of death, the **insured person** has already qualified for the same benefit under Clause 13 immediately below.

13. Terminal Illness.

13.1. **We** will pay the amount of an **insured person's** Death Benefit before the **insured person** dies if:

13.1.1. An **insured person** has been diagnosed with a **terminal illness** while the **insured person** has cover under this policy.

14. Bereavement.

14.1. **We** will pay a lump sum of $15,000 immediately on written notification of the death of an **insured person**. **We** will deduct this payment from the Death Benefit payable once **we** have assessed the death claim. If the Death Benefit is less than $15,000, **we** will pay the Death Benefit.

14.2. This benefit is payable only once for each **insured person**.

14.3. In the unlikely event that the Death Benefit is not payable, the **policy owner** will repay **us** the $15,000 advance payment or the amount paid under Clause 14.1 upon receipt of written notification from **us**.

15. Total and Permanent Disablement Benefit.

15.1. **We** will pay the amount of the Total and Permanent Disablement Benefit shown in the **schedule** if the **insured person** becomes **totally and permanently disabled** while he or she has cover under this policy.

15.2. If the **insured person** was **totally and permanently disabled** before becoming an **insured person**, he or she can only be **totally and permanently disabled** under this policy if he or she suffers a new illness or injury causing **total and permanent disablement** that is unrelated to the earlier **total and permanent disablement**.

15.3. If the **insured person**:

15.3.1. Is aged 65 or over, or

15.3.2. Is contracted to work less than 15 hours per week, or

15.3.3. Works for the **employer** on a casual basis,

he or she will only be considered **totally and permanently disabled** if he or she meets the criteria in parts (a) and (c) of that definition.

15.4. If an **insured person** suffers from a **total and permanent disablement** and the **insured person** stops working due to the injury or illness before the **insured person** reaches the **cover end date**, **we** will still pay a Total and Permanent Disablement Benefit if the **insured person** meets the criteria in the definition.

16. Personal Accident Option.

16.1. This option only applies if **we** show it in the **schedule**.

16.2. If an **insured person** suffers an **accident** while he or she has cover under this policy and the **accident** results in any of the losses listed below within 100 days of the **accident**, **we** will pay the amount payable set out below.
If more than one loss results from the **accident**, **we** will only pay the greatest amount.

Loss	Amount payable
Loss of both hands, both feet, the sight of both eyes, one hand and one foot, one hand and the sight of one eye, or one foot and the sight of one eye.	$50,000
Loss of one hand or loss of one foot.	$25,000
Loss of the sight of one eye.	$16,250
Loss of thumb and index finger of either hand.	$12,500

"Loss" when used in reference to hand or foot means complete severance through or above the wrist or ankle joint.
"Loss" when used with reference to eye means the irrecoverable loss of the entire sight of an eye.
"Loss" when used with reference to thumb and index finger means complete severance through or above the metacarpophalangeal joints.
"Losses" has a corresponding meaning.

16.3. **We** will not pay anything under this option if the Death Benefit or Total and Permanent Disablement Benefit are also payable because of the same **accident**.

16.4. The payment of this option will not result in the **insured person's** cover under this policy ending, or result in any reduction to any of the **insured person's** other benefits under this policy.

E. Claims.

17. Claim conditions.

17.1. The **employer** must notify **us** in writing of any potential claim under this policy:

17.1.1. Immediately it becomes aware of the death of an **insured person**, and

17.1.2. As soon as reasonably practical, after an **insured person** suffers an illness or injury that causes, or might reasonably be expected to cause, a **terminal illness** or a **total and permanent disablement** or allow a claim under the Personal Accident Option (if applicable).

17.2. **We** require the following information to support a claim:

17.2.1. A copy of the **insured person's** birth certificate, and

17.2.2. A copy of the **insured person's** superannuation scheme application form (if applicable), and

17.2.3. In respect of a claim for death, the original death certificate of the **insured person**, or a signed, witnessed copy of the death certificate, showing the cause of death, and

17.2.4. In respect of any claim for a **terminal illness**, a **total and permanent disablement** or an **accident** under the Personal Accident Option, **our** claim form, fully completed by:

a. The **employer**, and

b. The **insured person's medical practitioner**; and

c. (If still possible) the **insured person**,

in each case at the cost of the **insured person**, and

d. Results of any medical examinations **we** may require to be carried out at **our** expense by one or more **medical practitioners** or other specialists appointed by **us** in order to substantiate the claim, and

17.2.5. Any other information **we** consider necessary in the circumstances of the particular claim.

17.3. If an **insured person** becomes **totally and permanently disabled** while overseas **we** may require him or her to return to New Zealand at his or her own cost for assessment.

17.4. **Our** payment of the Death Benefit, or the Total and Permanent Disablement Benefit is a complete discharge of **our** obligations in respect of that benefit for the **insured person** under this policy.

F. How cover is calculated.

18. How cover is calculated.

18.1. **We** calculate the amount of the Death Benefit and Total and Permanent Disablement Benefit stated in the **schedule** for an **insured person** on the **join date**, and on each **review date** thereafter. However, if the **schedule** states that a continuous **salary** review facility applies, **we** recalculate the amount of the Death Benefit at each date the **employee's salary** alters.

18.2. If **we** pay a Total and Permanent Disablement Benefit in respect of an **insured person**, **we** will reduce the Death Benefit amount for that **insured person** by the amount paid as a Total and Permanent Disablement Benefit. If the amount paid as a Total and Permanent Disablement Benefit equals the Death Benefit, the **insured person's** cover under this policy will end.

18.3. The amount of the Death Benefit for an **insured person** cannot exceed $2,500,000, and the amount of the Total and Permanent Disablement Benefit for an **insured person** cannot exceed $2,000,000 or such other amount as may be agreed in writing from time to time between the **policy owner** and **us**. The Death Benefit and Total and Permanent Disablement Benefit are only payable once for each **insured person**.

18.4. The amount of the Total and Permanent Disablement Benefit cannot exceed the amount of the Death Benefit, but it can be less than it.

18.5. At claims time, if the **schedule** states that a continuous **salary** review facility applies, **we** will calculate the benefit based on the **insured person's salary** immediately prior to the date of death, or the date **we** determine they meet the **terminal illness** or **total and permanent disablement** definition. If the **schedule** does not state that the scheme has a continuous **salary** review facility, **we** will calculate the benefit as of the last **review date** prior to the date of death or the date **we** determine they meet the **terminal illness** or **total and permanent disablement** definition.

G. When cover ends.

19. When cover ends.

19.1. Cover for an **insured person** under this policy ends immediately upon any of the following occurring:

19.1.1. Any part of the insurance premium for the **insured person** is overdue, or

19.1.2. The **insured person** ceases to be an **eligible employee**, however, if he or she suffers an illness or injury while he or she has cover under this policy and as a consequence of that illness or injury he or she becomes **totally and permanently disabled** within 24 months of ceasing to be an **insured person**, **we** will pay the Total and Permanent Disablement Benefit as if he or she is still covered by this policy, or

19.1.3. The **insured person** reaches his or her **cover end date**, or

19.1.4. **We** pay a

a. Death Benefit, or

b. Total and Permanent Disablement Benefit (but not if the amount of this benefit is less than the Death Benefit)

to the **policy owner**, or

19.1.5. The **insured person** exercises the continuation option in accordance with Part K – Continuation option of this policy, if the continuation option applies, or

19.1.6. This policy is cancelled in accordance with Part J - Cancellation below.

19.2. Where cover for an **insured person** ends and the **insured person** ceases to be in **service** before the **cover end date**, the **insured person** will remain eligible to receive a benefit if he or she dies or suffers a **terminal illness** or **total and permanent disablement** before the earliest of the following events:

19.2.1. The expiry of 60 days from the date he or she ceased to be an **insured person**, or

19.2.2. The **insured person** exercises the continuation option in accordance with Part K – Continuation option of this policy, or

19.2.3. The **cover end date** is reached.

This benefit extension is not available if cover for an **insured person** ends due to payment of a Death Benefit or Total and Permanent Disablement Benefit.

H. Exclusions and incorrect information.

20. Exclusions and incorrect information.

20.1. If the **insured person's** age advised to **us** is incorrect, then **we** will adjust the insurance premium and/or the amount of the Death Benefit and Total and Permanent Disablement Benefit for that **insured person**, to compensate for the error.

20.2. If any of the information supplied to **us** in relation to:

20.2.1. Obtaining cover under this policy, or

20.2.2. Increasing the amount of the Death Benefit or Total and Permanent Disablement Benefit, or

20.2.3. A claim

is untrue or incomplete, **we** may adjust the amount of premium payable, adjust the amount of Death Benefit and Total and Permanent Disablement Benefit payable or elect not to pay the claim as **we** consider appropriate in the circumstances to correct or compensate for the error.

20.3. **We** will not pay anything under the Personal Accident Option if what happens to the **insured person** is in connection with:

20.3.1. The **insured person** deliberately injuring themselves or attempting to do so, or

20.3.2. The **insured person** participating in any criminal act.

I. Insurance premium.

21. Payment of premiums.

21.1. The **policy owner** must pay the insurance premium to **us** in respect of a **policy period** on the **start date** and on each subsequent **review date**.

21.2. **We** will calculate the insurance premium in accordance with the Insurance Premium Rates stated in the **schedule**.

21.3. With **our** agreement, the **policy owner** may pay the insurance premium more frequently than annually and **we** may increase the annual insurance premium to reflect the added administration involved in the increased frequency of payment.

21.4. When an **eligible employee** becomes an **insured person** on a date other than a **review date**, the annual insurance premium will be the amount determined by multiplying together:

21.4.1. The amount of the Death Benefit and Total and Permanent Disablement Benefit for the **policy period** in which the **join date** occurs divided by 1,000, and

21.4.2. The insurance premium rate according to the **insured person's** age at his or her next birthday as at the **join date** determined by reference to the Insurance Premium Rates stated in the **schedule**, unless otherwise agreed by **us**.

However, where the period from the **join date** to the end of the **policy period** is other than twelve months, the insurance premium will, at **our** discretion, be either proportionately adjusted, or adjusted in accordance with the **bulk adjustment formula**.

21.5. At each **review date** the annual insurance premium payable for each **insured person** will be the amount determined by multiplying together:

21.5.1. The amount of the Death Benefit and Total and Permanent Disablement Benefit for the next **policy period** divided by 1,000, and

21.5.2. The insurance premium rate according to the **insured person's** age at his or her next birthday at the **review date** determined by reference to the Insurance Premium Rates specified in the **schedule**, unless otherwise agreed by **us**.

However, where the period from the **review date** to the end of the **policy period** is other than twelve months, the insurance premium will, at **our** discretion, be either proportionately adjusted, or be adjusted in accordance with the **bulk adjustment formula**.

21.6. If **we** show the Personal Accident Option in the **schedule**, the premium for this option will be the standard annual premium for this option as documented in the **schedule**.

21.6.1. If the **insured person's** cover starts during the **policy period we** will either adjust the premium for this option proportionately for the period from the **join date** to the end of the **policy period** or adjust the premium in accordance with the **bulk adjustment formula**.

21.6.2. If the period from the **review date** to the end of the **policy period** is other than twelve months, **we** will either adjust the premium for this option proportionately or adjust the premium in accordance with the **bulk adjustment formula**.

21.7. If any amount of insurance premium is overdue for payment to **us** for a period of one month, **we** may, in **our** sole discretion, charge interest on the amount overdue at the rate of 10% per annum (or such other rate as **we** may determine from time to time) until it is paid.

21.8. If the **policy owner** pays **us** the insurance premiums in one lump sum on behalf of more than one **insured person**, and the amount paid is insufficient, the premium shortfall will be pro- rated across all relevant **insured persons** and **we** will adjust the amount of their benefits accordingly. **We** will notify the **policy owner** in writing of this action.

21.9. If at the beginning of any **policy period**, **we** have not received any information **we** require to determine the insurance premium in respect of an **insured person** for that **policy period**, **we** will determine a provisional insurance premium, which will become due to **us**. After **we** have received and processed the information required, **we** will calculate the difference between the provisional insurance premium paid and the insurance premium payable and the applicable party will immediately pay this amount.

21.10. If an **insured person's** cover ends during any **policy period** other than because of that person's death, **terminal illness** or **total and permanent disablement**, **we** will refund, at the end of that **policy period**, a proportion of the insurance premium paid. The amount refunded will, at **our** discretion, be either proportionately adjusted from the first day on which the **insured person's** cover ended up to the last day of the relevant **policy period**, or adjusted in accordance with the **bulk adjustment formula**.

22. Premium rates.

22.1. The annual Insurance Premium Rates for **insured persons** covered on standard terms are set out in the **schedule** and **we** will not change them until the **premium variation date** except in the circumstances outlined in Clauses 22.3 to 22.6 below.

22.2. For an **insured person** who is not covered on standard terms, **we** will notify the **policy owner** of the insurance premium rate **we** apply.

22.3. **We** may, by giving the **policy owner** at least one month's prior notice in writing, vary the Insurance Premium Rates set out in the **schedule**, with any variation being effective from the earlier of:

22.3.1. The date on which the number of **insured persons** altered by 30% or more since the last **premium variation date,** and

22.3.2. The **premium variation date**.

22.4. In the event of an invasion, rebellion or an outbreak of war (whether declared or not) in which New Zealand is involved, and at any time during that event, **we** may vary the Insurance Premium Rates set out in the **schedule** by notice in writing to the **policy owner**. This applies whether before or after the **premium variation date**.

22.5. If in **our** opinion, there is a variation in:

22.5.1. The **employer's** business or location, or

22.5.2. Any **insured person's** occupation or location

which materially alters the risk under this policy, **we** may alter any or all of the Insurance Premium Rates that apply to this policy as **we** in **our** discretion see fit. Any variation will be effective from the time the alteration in risk occurred.

22.6. In the event of any change or variation in any Act or Regulation that, in **our** opinion, affects the tax treatment of this policy or the Insurance Premium Rates, then **we** may vary the Insurance Premium Rates set out in the **schedule** to take into account the change or variation. Any variation will be immediately effective after giving notice in writing to the **policy owner**.

23. Profit Share Option.

If the **schedule** shows this option then the following applies:

23.1. Pooled profit share

At the end of each pool period (1 October to 30 September inclusive each year), **we** will calculate a profit share refund taking into account the premiums and claims paid for all policies participating in the pool according to the following formula:

R = 80% x (80% x P – C) where:

R = the amount of profit share refund

P = the total earned premiums received in the pool period less policy fees, administration expenses, brokerage and GST

C = total claims notified or paid in the pool period.

23.1.1. This option is available where the number of **insured persons** is from 10 to 499 inclusive. If the number of **insured persons** reaches 500, this group may be moved to Self-experience profit share rebate at **our** discretion.

23.1.2. **We** will not carry any losses forward from one pool period to the following pool period.

23.1.3. **We** will pay the **policy owner** the profit share refund calculated in 23.1 above net of transfers to or from actuarial reserves. **We** will not deduct the profit share refund from the scheme's premiums for the following **policy period**.

23.1.4. Payment of any profit share refund is not dependent on the **policy owner** renewing the policy with **us**.

23.2. Self-experience profit share

23.2.1. This option is only available where the number of **insured persons** is 500 or more. If the number of **insured persons** drops below 500, this group may be moved to Pooled profit share rebate at **our** discretion.

23.2.2. Six months after the **premium variation date** and annually thereafter **we** will calculate a profit share refund using a formula that **we** will advise the **policy owner**.

J. Cancellation.

24. Cancellation by policy owner.

24.1. The **policy owner** may cancel this policy at any time by giving **us** three months' prior notice in writing.

24.2. The **policy owner** may cancel this policy at the **premium variation date** with notice given on or before the **premium variation date**.

We will refer to the date specified in that notice (being either 3 months from the notice date or the **premium variation date**) as the **cancellation date**.

25. Cancellation by Fidelity Life Assurance Company Limited.

25.1. **We** may cancel this policy by giving the **policy owner** three months' prior notice in writing with the cancellation effective at the **review date**. **We** may also cancel this policy by giving one month's prior notice in writing in the following circumstances:

25.1.1. If the **policy owner** fails to pay any instalment of insurance premium three months after it becomes due, or

25.1.2. In the event of any agreement or arrangement being made where, in **our** opinion, part or all of the benefits (whether available now or in the future) which would otherwise have been provided under this policy to **insured persons** or to **eligible employees** are to be provided outside this policy.

We will refer to the date specified in that notice as the **cancellation date**.

26. What happens when the cover is cancelled.

26.1. With effect from the **cancellation date**:

26.1.1. No further insurance premiums will be payable by the **policy owner**,

26.1.2. Cover for the **insured persons** will end immediately,

26.1.3. **We** will pay no further benefits under this policy, except for any death, **terminal illness**, **total and permanent disablement** or Personal Accident Option benefits that accrued before the **cancellation date.**

27. Refund after cancellation.

27.1. If this policy cancels and a refund of insurance premium is due, then **we** will refund this to the **policy owner**. **We** may subtract any reasonable expenses **we** incur in cancelling this policy from the refund payable.

K. Continuation option.

28. Eligibility and what is provided.

28.1. If cover ends because the **insured person** ceases to be employed by the **employer,** he or she may apply for a yearly renewable term life and permanent disability - accelerated policy with **us**, or other life and permanent disability policy as determined by **us**, on terms acceptable to **us**. Upon receipt of a completed continuation option application form, **we** will issue to the **insured person** a policy on the following basis:

28.1.1. The sum insured for the death benefit and the sum insured for the Total and permanent disablement benefit will be an amount not exceeding the respective amount of the Death Benefit and the Total and Permanent Disablement Benefit for the **insured person** under this policy on the date the **insured person** is no longer in **service**, and

28.1.2. **We** will issue the policy without any evidence of the **insured person's** current state of health or pursuits, and

28.1.3. **We** will issue the policy subject to the terms and conditions and at **our** premium rates that apply to the particular policy at the date of the application, and

28.1.4. The **insured person's** new occupation is one **we** usually insure under an individual policy, and

28.1.5. Where the **insured person's** cover under this policy was subject to special terms or conditions (including special rates), **we** may apply corresponding special terms, conditions, and rates to the new policy.

29. When the continuation option is not available.

29.1. A continuation option is not available if the **insured person** is:

29.1.1. Not a New Zealand resident.

29.1.2. Joining the armed forces of any country (except the NZ Defence Force Reserves).

29.2. This option is not available if:

29.2.1. The **insured person** has been paid a benefit, has applied or is in the process of applying for a benefit, or is entitled to receive a benefit under this policy, or

29.2.2. Cover ends due to having reached the **cover end date**.

29.3. A continuation option for Total and Permanent Disablement cover is not available if, on the day immediately prior to the **insured person's** cover ceasing, he or she is not capable of actively performing all the duties and the usual hours of their occupation, free from any limitation due to injury or illness.

30. Continuation option availability period.

30.1. **We** must receive any application for continued insurance under this Clause:

30.1.1. Within 60 days of the date on which the cover for the **insured person** under this policy ends, and

30.1.2. Before the **insured person** reaches his or her **cover end date**.

31. What happens when insured persons are less than ten.

31.1. If **we** cancel this policy because the number of **insured persons** is less than ten, these **insured persons** may choose to apply for a continuation option within 60 days of the **cancellation date**.

32. What happens when the employer is in liquidation or receivership.

32.1. For the avoidance of doubt, an **insured person** may exercise this continuation option if the **employer** has been wound up, placed in liquidation or receivership, or otherwise ceased to exist. At **our** sole discretion, **we** may also exercise this continuation option when the **employer** is sold primarily to avoid one of the above possibilities occurring.

L. General conditions.

33. Currency.

33.1. The insurance premiums will be paid in New Zealand currency at **our** head office. All amounts and benefits payable by **us** in respect of this policy will be paid in New Zealand currency.

34. Variation.

34.1. The **policy owner** may with **our** consent at any time delete from and/or add to the terms of this policy.

34.2. **We** may change the terms and conditions of this policy at the **premium variation date** by giving three months' prior notice in writing. If the **policy owner** and **we** cannot agree on the revised terms, the policy will end on the **premium variation date**.

34.3. If there is a change in the law affecting **our** liability under this policy or the value of any benefit payable under it, **we** may vary the policy in a manner **we** see fit because of that change, by notice in writing to the **policy owner**.

35. Audit.

35.1. From time to time, **we** may conduct an audit of the **employer's** records that relate to this policy. If **we** choose to conduct an audit **we** will give the **employer** reasonable notice of the audit and **we** will conduct the audit during business hours only.

36. Privacy.

36.1. During the course of this policy, **we** collect personal information regarding **eligible employees** to administer the policy. The **employer** must advise the **eligible employees** that the information will be provided to **us**, what **we** will use the information for, who **we** may disclose the information to, and that the **eligible employee** may request reasonable access to and correction of the information.

37. New Zealand Law.

37.1. The law of New Zealand governs this policy and the New Zealand Courts have exclusive jurisdiction.

38. Statutory fund.

38.1. This policy is referable to the Fidelity Life Statutory Fund Number 1.

M. Definitions.

Accident.
Death or injury caused solely and directly by violent, accidental, external and visible means.

Activities of daily living.

- bathing and showering
- dressing and undressing (including grooming and fitting artificial limbs)
- eating and drinking
- using a toilet to maintain personal hygiene
- controlling bowel and bladder function
- getting in and out of a bed or chair

At Work.
The **employee** is in **service**, and physically at his or her place of employment, carrying out all the usual duties of that employment.

At Work Certificate.
A certificate in the form prescribed by **us** which the **policy owner** completes as part of its proposal for insurance under this policy.

Automatic acceptance limit.
The amount stated in the **schedule**.

Bulk adjustment formula.
For adjusting the rate which **we** may apply at **our** discretion, subject to Clauses 21.4, 21.5 and 21.6 is:

0.50 x P/S1 x (S2-S1), where

P = Total annual premium at the last **review date**

S1 = Total Death Benefit and total Total and Permanent Disablement Benefit at the last **review date**

S2 = Total Death Benefit and total Total and Permanent Disablement Benefit at the current **review date**

This formula will apply if the number of **insured persons** on the **review date** is 50 or more. If the number of **insured persons** is less than 50, then individual adjustments will apply.

Cancellation date.
The date specified in a notice by either the **policy owner** or **us**, when all cover under this policy ends.

Cover end date.
Has the meaning stated in the **schedule**.

Eligible employee.
Has the meaning stated in the **schedule**.

Employee.
A person in the employment of the **employer** or such other person as may be agreed in writing from time to time between the **employer** and **us.**

Employer.
The entity named in the **schedule**.

Evidence of insurability.
A completed personal statement and such other medical examinations or reports, medical tests and health, occupation and activity statements as **we** may require.

Forward acceptance limit.
A level of insurance an **eligible employee** who has submitted satisfactory **evidence of insurability** has been accepted for by **us**.

Insured person/insured persons.
An **eligible employee** who is covered under this policy in accordance with its terms.

Join date.
The date an **eligible employee** first becomes an **insured person**.

Medical practitioner.
An appropriately qualified and registered medical practitioner (and includes an appropriate specialist) who is not the **employer** or the **insured person**, their spouse, relative or business associate.

Parental leave.
Parental leave as that term is defined by the Parental Leave and Employment Protection Act 1987 provided that there is a reasonable expectation of the **eligible employee** returning to employment with the **employer** as determined by the **employer**.

Policy owner.
The entity named in the **schedule**.

Policy period.
The period starting on the **start date** and ending on the day before the next **review date**, or any subsequent period starting on a **review date** and ending on the day before the next **review date**, both dates being included.

Premium variation date.
Three years from the **start date** and three yearly thereafter.

Review date.
The date specified in the **schedule**.

Salary.
Salary payable by the **employer** in relation to an **insured person** who is:

- A full time permanent **employee**, means his or her annual base remuneration
- A part time permanent **employee**, means the pro-rated equivalent of his or her annual base remuneration
- A fixed term **employee**, means his or her contracted remuneration
- A casual **employee**, means his or her remuneration received

during the **policy period** excluding overtime, bonuses, fees and commissions.

Schedule.
The schedule attached to this policy.

Service.
Actual employment with the **employer** in respect of which the **insured person** concerned receives a **salary,** and includes leave of absence of up to 12 months.

Start date.
Is the date stated in the **schedule** when this policy starts.

Terminal illness.
The diagnosis of any advanced or rapidly progressive, incurable illness, where in **our** opinion, and in the opinion of an appropriately specialised **medical practitioner** life expectancy is no greater than 12 months. In making this assessment the **medical practitioner** will have regard to the recommended treatment and assume that the treatment will be followed.

Totally and permanently disabled / total and permanent disablement.

Any Occupation (where the **schedule** states that Any Occupation applies):

a. The **insured person** suffers an injury or illness and, after consideration of the medical evidence, in **our** opinion, as a result of that injury or illness he or she has suffered the total and permanent loss of use of two limbs, or the total and permanent loss of sight of both eyes, or the total and permanent loss of use of one limb and the total and permanent loss of sight of one eye, (where 'limb' means the whole hand or the whole foot), or

b. The **insured person** suffers an injury or illness and, as a result of that injury or illness has not worked at all for three consecutive months and, after consideration of the medical evidence and any other information **we** require, in **our** opinion he or she is totally and permanently unable to follow his or her own occupation, or any other trade, profession or occupation for which he or she is reasonably suited by education, training or experience, or

c. The **insured person** suffers an injury or illness and, as a result of that injury or illness, after consideration of the medical evidence, in **our** opinion he or she is totally and permanently dependent on at least one other person's complete physical assistance to perform at least two of the six **activities of daily living**.

Own Occupation (where the **schedule** states that Own Occupation applies):

a. The **insured person** suffers an injury or illness and, after consideration of the medical evidence, in **our** opinion, as a result of that injury or illness he or she has suffered the total and permanent loss of use of two limbs, or the total and permanent loss of sight of both eyes, or the total and permanent loss of use of one limb and the total and permanent loss of sight of one eye, (where 'limb' means the whole hand or the whole foot), or

b. The **insured person** suffers an injury or illness and, as a result of that injury or illness has not worked at all for three consecutive months and, after consideration of the medical evidence and any other information **we** require, in **our** opinion he or she is totally and permanently unable to follow his or her own occupation, or

c. The **insured person** suffers an injury or illness and, as a result of that injury or illness, after consideration of the medical evidence, in **our** opinion he or she is totally and permanently dependent on at least one other person's complete physical assistance to perform at least two of the six **activities of daily living**.

We / us / our.
Fidelity Life Assurance Company Limited or any person, firm, corporation or company carrying on business in succession or in amalgamation with it.