

Group insurance policy document.

Funeral Cover.

Contents.

A. Introduction 2
B. Who is covered and when 2
C. Automatic acceptance limit and evidence of insurability 6
D. Benefits 7
E. Claims 7
F. How cover is calculated 7
G. When cover ends 8
H. Exclusions and incorrect information 8
I. Insurance premium 8
J. Cancellation 11
K. General conditions 12
L. Definitions 13

A. Introduction.

1. Group Funeral Cover 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 that **we** will provide.

1.3. There must be a minimum of ten **insured persons** covered under this policy at the **start date** 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 L - 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 **schedule** prevails.

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 Funeral Cover 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 Funeral 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.

4.3. 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 who were not previously insured.

5.1. **Eligible employees** who were not insured under a Group Funeral Cover 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 Funeral 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 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 have insurance cover under any Group Funeral Cover insurance policy arranged by the **employer**,

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 Funeral 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 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 lesser of:

7.4.1. The amount of the Funeral Benefit applied for, and

7.4.2. The **automatic acceptance limit**.

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 would not have otherwise ceased 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 18.3 to 18.6 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 Funeral Benefit cannot exceed the **automatic acceptance limit**.

10.2. If the **insured person** provides satisfactory **evidence of insurability** to **us**, cover for any portion of the Funeral 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** at a level **we** consider appropriate 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** 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 otherwise, 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. Funeral Benefit.

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

E. Claims.

13. Claim conditions.

13.1. The **employer** must notify **us** in writing of any potential claim under this policy immediately it becomes aware of the death of an **insured person**.

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

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

13.2.2. The original death certificate of the **insured person**, or a signed, witnessed copy of the death certificate, showing the cause of death, and

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

13.3. **Our** payment of the Funeral Benefit is a complete discharge of **our** obligations in respect of that **insured person** under this policy.

F. How cover is calculated.

14. How cover is calculated.

14.1. **We** calculate the amount of the Funeral Benefit stated in the **schedule** for an **insured person** on the **join date**, and on each **review date** thereafter.

14.2. The amount of the Funeral Benefit for an **insured person** cannot exceed $50,000 and the Funeral Benefit is only payable once for each **insured person**.

G. When cover ends.

15. When cover ends.

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

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

15.1.2. The **insured person** ceases to be an **eligible employee**, or

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

15.1.4. **We** pay a Funeral Benefit to the **policy owner**, or

15.1.5. This policy is cancelled in accordance with Part J – Cancellation below.

15.2. 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 for a benefit if he or she dies before the earliest of the following events:

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

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

This benefit extension is not available if cover for an **insured person** ends due to payment of a Funeral Benefit.

H. Exclusions and incorrect information.

16. Exclusions and incorrect information.

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

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

a. Obtaining cover under this policy, or

b. Increasing the amount of the Funeral Benefit, or

c. A claim

is untrue or incomplete, **we** may adjust the amount of premium payable, adjust the amount of Funeral Benefit payable, elect not to pay the claim or avoid the **insured person's** cover as **we** consider appropriate in the circumstances to correct or compensate for the error.

I. Insurance premium.

17. Payment of premiums.

17.1. 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**.

17.2. **We** will calculate the insurance premium in accordance with the insurance premium rates stated in the **schedule**.

17.3. 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.

17.4. 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:

17.4.1. The amount of the Funeral Benefit for the **policy period** in which the **join date** occurs divided by 1,000, and

17.4.2. 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 or advised 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**.

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

17.5.1. The amount of the Funeral Benefit for the next **policy period** divided by 1,000, and

17.5.2. 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 or advised 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**.

17.6. 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.

17.7. 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 Funeral Benefit accordingly. **We** will notify the **policy owner** in writing of this action.

17.8. 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.

17.9. If an **insured person's** cover ends during any **policy period** other than because of that person's death, **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**.

18. Premium rates.

18.1. The annual insurance premium rates for **insured persons** covered on standard terms are set out in the **schedule** and are fixed until the **premium variation date** except in the circumstances outlined in 18.3 to 18.6 below.

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

18.3. **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:

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

18.3.2. The **premium variation date**.

18.4. 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**.

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

18.5.1. the **employer's** business or location, or

18.5.2. 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.

18.6. 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**.

J. Cancellation.

19. Cancellation by policy owner.

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

19.2. 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**.

20. Cancellation by Fidelity Life Assurance Company Limited.

20.1. **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:

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

20.1.2. If **we** determine that the **policy owner** or **employer** has made any agreement or arrangement where part or all of the benefits 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**.

21. What happens when the cover is cancelled.

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

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

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

21.1.3. **We** will pay no further benefits under this policy, except for any funeral benefits that accrued before the **cancellation date**.

22. Refund after cancellation.

22.1. 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. General conditions.

23. Currency.

23.1. 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.

24. Variation.

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

24.2. **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**.

24.3. 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**.

25. Audit.

25.1. 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.

26. Privacy.

26.1. 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.

27. New Zealand law.

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

28. Statutory fund.

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

L. Definitions.

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

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 17.4, 17.5 and 17.9 is:

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

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

S1 = Total Funeral Benefit at the last **review date**

S2 = Total Funeral 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.

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**.

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**.

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**.

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.