



New Zealand
**DEFENCE
FORCE**
Te Ope Kātua O Aotearoa



REGULAR FORCES & CIVILIANS

MEMBER INSURANCE BENEFITS PROGRAMME

FREQUENTLY ASKED QUESTIONS





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NZDF REGULAR FORCES & CIVILIANS

MEMBER INSURANCE BENEFITS PROGRAMME

FREQUENTLY ASKED QUESTIONS

The NZDF Member Insurance Benefit Programme (MIBP) was established to provide insurance benefits for members of the Armed Services and NZDF Civilian staff and their partners. This is the FAQ for members of the Regular Forces and Civilian staff. Foreign Locally Employed Civilians should contact Aon on nz.nzdf.enquiries@aon.com for more information on their benefits. Casual employees are not covered by MIBP. This FAQ was updated as at January 2019.

MIBP is made up of six key components. This FAQ covers the main benefits provided under Tiers, 1, 2 and 3:

- TIER 1:** NZDF cover for you
Life & Terminal Illness, Physical Loss and Income Protection Insurance. The cost of this is fully paid by NZDF.
- TIER 2:** Top up cover for you
Voluntary top-up insurance benefits including Life & Terminal Illness, Physical Loss, Critical Illness and additional Income Protection options. The premium for Tier 2 benefits are paid by you and are a matter between you, the MIBP administrator and the insurer.
- TIER 3:** Cover for your Partner/Spouse
Voluntary insurance for your Partner/Spouse (does not apply if they are Members of NZDF) including Life & Terminal Illness and Critical Illness. The premium for Tier 3 benefits are paid by you and are a matter between you, the MIBP administrator and the insurer.
- TIER 4:** Cover for ex NZDF members
Allows access to Tier 2 benefits for ex NZDF members. The premiums for these benefits are paid by you and are a matter between you, the MIBP administrator and the insurer.
- TIER 5:** Cover for Defence Community
This Tier will introduce a range of benefits for the greater Defence Community. The first benefit was a Funeral Plan introduced in August 2017.
- TIER 6:** Extra protection
Insurance cover over and above Tiers 1, 2 & 3, a range of insurance options, available to you and your partner / family at discounted rates.

Refer to the NZDF MIBP website - <https://nzdf.synergyhealthltd.com/register/MIBP> for more details.

TIERS 1, 2 & 3 BENEFIT SUMMARY

Insurance Benefit	Tier 1	Tier 2	Tier 3
Life & Terminal Illness	Yes	Yes	Yes
Physical loss	Yes	Yes	No
Income Protection	Yes	Yes	No
Critical Illness	No	Yes	Yes

PLEASE NOTE:

This FAQ document is not a substitute for any Insurance Policy wordings or other specific product documentation. The Tier 1 Policy Documents are held by NZDF, with the Tier 2 & 3 Policy Documents being held by Perpetual Guardian as corporate trustee. Copies are available on the HR Toolkit, the Force Financial Hub - <http://www.nzdf.mil.nz/families/financial-hub/> and the Aon NZDF MIBP website: <https://nzdf.synergyhealthltd.com/register/MIBP>.



CONTACTS

NZDF Contacts

Contact either HRSC phone **0800 334 772**, or your local HRA.

Aon Contacts

Claims or questions should be directed initially to The NZDF's Insurance Brokers Aon New Zealand who are also the MIBP administrators.

A free call number **0800 642 748** is available Monday to Friday 8.30 am – 5.00 pm (NZT) to answer any questions.

Otherwise email enquiries to nz.nzdf.enquiries@aon.com or refer to the NZDF MIBP website -

<https://nzdf.synergyhealthltd.com/register/MIBP>

A disclosure Statement is available free of charge from Aon.

THE INSURER

The Insurer is AIA New Zealand

The MIBP programme is continually monitored and from time to time a market review is undertaken. As at the 1 July 2017 the insurer for the NZDF MIBP changed from Sovereign to AIA New Zealand. This change was a result of a rigorous remarket exercise which NZDF requires every 5 years to ensure MIBP is best value for money and also best terms and conditions are maintained for MIBP members.

AIA has an insurer *financial strength rating* of AA- (Very Strong) from Standard & Poor's.





TIER ONE NZDF Cover For You!

GENERAL INFORMATION

Q1: What Tier 1 benefits do I receive under MIBP?

As a member of MIBP you receive the following insurance benefits under Tier 1; these are fully paid by NZDF:

- Life including Terminal Illness – \$300,000
- Physical Loss up to \$50,000 – refer to Schedule 1 on page 28 of this FAQ
- Income Protection:
 - An annual benefit equal to 75% of your base salary and Military Factor, if applicable. The maximum benefit is \$120,000 pa (based on an annual salary and military factor if applicable of \$160,000)
 - Benefits are payable fortnightly in advance after a stand-down period of 90 days
 - Benefits are payable for a period of up to 2 years, or age 70, or earlier recovery whichever comes first

These benefits apply worldwide 24 hours a day and seven days a week.

Q2: How do I get cover for these benefits?

You are automatically covered for these benefits, subject to the eligibility criteria in the policy wordings.

Q3: What is the eligibility criteria?

Members of the Regular Forces (full and part time) and NZ based civilian employees (permanent or fixed term – full and part time) are all eligible for membership.

If you are a foreign Locally Employed Civilian, contact Aon on nz.nzdf.enquiries@aon.com for more information on your benefits.

Casual employees are not covered by MIBP.

Q4: How much does this cost me?

The premiums for Tier 1 are fully paid by NZDF meaning there is no cost to you.

Q5: Is there anything I am required to do?

No you are automatically covered when you join NZDF.

You can access a copy of your Tier 1 membership certificate of insurance and find additional information on Tiers 2 & 3 from the NZDF MIBP website: <https://nzdf.synergyhealthltd.com/register/MIBP>.

NB You are still covered under Tier 1 even if you don't request your Certificate of Insurance.

Q6: What is the definition of salary?

Regular Forces salary is your base salary plus your military factor. Civilian salary is your base salary. The rest of your Total Remuneration components are excluded from any MIBP benefit calculation.



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GENERAL INFORMATION CONTINUED

Q7: Are “NZDF belligerent operations (Armed Combat and Major War Fighting)” anywhere in the world covered by these benefits?

In respect to specific Tiers:

Tier 1 Yes.

Tier 2 From 1 July 2017 Tier 2 Life cover is available for armed combat and major warfighting, some conditions apply, please refer to Tier 2 Section.

Armed combat and major warfighting cover is not available for Tier 2 Physical Loss, Income Protection and Critical Illness cover. All other duties are fully covered.

Q8: If I am a Civilian employee and sent overseas on NZDF business am I covered?

Yes cover is worldwide 24/7.

Q9: Are there any age limits?

Tier 1 Life & Terminal Illness and Physical Loss insurance cease when you turn age 80. Income Protection cover ceases at age 70.

Q10: Can I assign my cover to another person?

No, cover is through a group plan and cannot be assigned by individual members. However if you go to the website: <https://nzdf.synergyhealthltd.com/register/MIBP> you can source a certificate confirming your cover. Lending institutions may accept this as proof that you are insured for mortgage or loan purposes.

Q11: I am a Civilian employee and also a Reserve Force member do I receive both covers?

No, you will only be entitled to the Civilian benefits.

Q12: What happens if I take parental leave or leave without pay?

Tier 1 Cover is automatic for the first 365 days.

Beyond day 365 cover can be extended for a further 365 days by individual arrangement, contact Aon to make these arrangements.

Q13: If I leave NZDF can I continue some or all of my Tier 1 insurances at my own expense?

- **Yes.** If you leave NZDF prior to age 80 for Life & Terminal Illness and prior to age 70 for Income Protection you have an Option to continue all or some of your Tier 1 insurance benefits, and protect cover for any pre-existing conditions, by transferring the benefits to Tier 2 – it’s your choice.
- You have 60 days from leaving the NZDF to complete the Transfer to Tier 2. Your Tier 1 cover continues for 60 days from the date of your leaving NZDF.
- You will need to pay for any Continuation cover by Monthly Direct Debit in addition to any other Tier 2 or Tier 3 options you already have.
- This means that your cover continues automatically when you exercise this Option as no evidence of health is required and you seamlessly maintain your benefits at the Tier 2 concessionary premiums.
- If you wish to apply to continue your Tier 1 cover contact Aon at nz.nzdf.enquiries@aon.com or phone **0800 642 748**.



TIER ONE

GENERAL INFORMATION CONTINUED

Q14: Can I top-up this Tier 1 Cover or purchase additional cover?

Yes, you can top-up your Tier 1 cover.

Special Life Events - you can top up an additional \$50,000 Life & Terminal Illness cover automatically without any health questions under any of the following events:

- A marriage or civil union
- Divorce or legal separation
- The birth or adoption of a child
- An Annual Salary increase - limited to 5 x increase in salary
- Taking full-time care of a dependant relative i.e. your spouse/partner, mother, father, brother, sister, son, daughter, grandfather or grandmother
- The tertiary education of a child
- A mortgage - the taking out or increasing of a mortgage by you, or your child where you are acting as a guarantor for the mortgage. You can take a maximum benefit amount of \$150,000 or the amount of the mortgage, whichever is the lesser.
- Your child starting secondary school education
- The death of a spouse or partner as defined in the Property (Relationships) Act 1976.

Contact Aon – Phone: **0800 642 748** or email nz.nzdf.enquiries@aon.com.

For all other top ups refer to Tier 2 section, page 15 in this FAQ. All Tier 1 top ups are managed under Tier 2 and premiums are payable by monthly direct debit.

Conditions may apply.

The maximum benefit amount across all events is \$250,000.

Q15: Are any Death & Terminal Illness, Physical Loss or Income Protection claim payments subject to KiwiSaver or other superannuation contributions?

No, benefits paid under Tiers 1, 2 & 3 are not liable for any contributions to KiwiSaver or any other superannuation scheme.

Q16: Would KiwiSaver, Veteran Pensions or any other superannuation payment impact on any claim benefit payments received?

Income Protection payments may be reduced if you receive a regular payment from a superannuation scheme in respect of the disability you are claiming under. You can however, receive National Superannuation, a Veterans Pension, a GSF pension and your KiwiSaver funds without any offset. Refer to the Income Protection section in Tier 1 of this FAQ for more detail.



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LIFE, TERMINAL ILLNESS & PHYSICAL LOSS

Q1: How does the Life, Terminal Illness & Physical Loss insurance work?

Life Insurance provides a lump sum payment of \$300,000 if you die, from any cause. If you are diagnosed as terminally ill, the lump sum of \$300,000 may be paid in advance of death. Currently the payments are paid as a tax free lump sum.

Q2: If I die who is the death benefit paid to?

The death benefit will be paid to your estate, therefore it is very important to have an up-to-date Will.

Q3: How do I qualify for a Terminal Illness benefit and how is this benefit paid?

If your specialist diagnoses you as being terminally ill and likely to die within 12 months, the Insurer has an option to pay the death benefit early, i.e. payment in advance of death.

There are also a number of Advance Benefit conditions on which the Terminal Illness benefit will be paid upon diagnosis, refer to Schedule 2 on page 30. The amount of Life & Terminal Illness Advanced Benefit payable is thirty percent (30%) of the Life Amount Insured. For more information contact Aon: Phone **0800 642 748** or email nz.nzdf.enquiries@aon.com.

Q4: What if I am paid out and then don't die from the terminal illness within 12 months?

You are not required to pay the money back. However the terminal illness payment is an early payment of the death benefit so when you do eventually die no further funds will be paid.

Q5: As the payment of a death claim can sometimes be delayed with estate issues, can an advance Funeral Benefit be paid?

- **Yes** it can. Subject to NZDF and Insurer approval, a Bereavement Support Benefit of up to \$15,000 can be advanced from the \$300,000 Life Benefit to cover approved funeral expenses.
- Enquiries about a Claim for a Bereavement Support Benefit should be directed to an HRA or Aon, 0800 642 748.
- The estate should check for any other entitlement with NZDF and/or Veterans Affairs New Zealand.

Q6: How does the Physical Loss Insurance work?

The Physical Loss Insurance is an accident benefit based on a specified list of events and a payment associated with each event. The maximum amount under Tier 1 is \$50,000. Refer to Schedule 1 Physical Loss on page 28 of this FAQ to see the scale of payments.

If a Physical Loss benefit is paid the balance of the Physical Loss benefit is reduced by the amount of benefit paid.

The Life & Terminal Illness benefit is not affected if a Physical Loss benefit is paid.



TIER ONE

LIFE, TERMINAL ILLNESS & PHYSICAL LOSS CONTINUED

Q7: Are Physical Loss payments in addition to ACC (AEP)?

Yes, all Physical Loss payments are additional to any ACC payments.

Q8: How long am I covered for under this Plan?

- The Tier 1 Life & Terminal Illness and Physical Loss Insurance benefits cover you until you either leave NZDF, attain the age of 80 or if a Death or Terminal Illness claim is paid under this policy.
- Income Protection payments are separate to any life insurance benefit and you are covered under MIBP until you reach age 70.



TIER ONE

INCOME PROTECTION INSURANCE

Q1: How does this Income Protection Insurance work?

- Income Protection Insurance provides for continued payment of a percentage of your salary if you become Disabled and unable to follow your usual occupation or trade whilst you are engaged or employed by NZDF.
- If your salary plus Military Factor is less than \$160,000 per annum you will be automatically covered up to 75% of your salary plus Military Factor, as applicable.
- If your salary plus Military Factor is above \$160,000 you are automatically covered up to 75% of \$160,000. Contact Aon nz.nzdf.enquiries@aon.com or phone 0800 642 748 to discuss your options to increase your cover to your full entitlement, at your own cost under Tier 2.

Q2: What does Total Disablement mean?

Total Disablement means:

- Through accident or sickness you are incapable of performing your usual occupation or trade for more than 10 hours per week; and
- you are not earning remuneration from any other occupation including under NZDF, and
- you are under the regular care and attendance of a Medical Practitioner.

Disablement is from accident or sickness and can include sickness of a mental health nature.

Q3: How much is my benefit and how long is the Tier 1 benefit period?

- Your benefit is calculated as 75% of your annual base salary paid by NZDF including Military Factor, before the applicable deduction of income tax.
- The maximum benefit under Tier 1 is \$120,000 based on 75% of base salary (including Military Factor, if applicable) of \$160,000.
- The Tier 1 benefit period is to your recovery, 2 years or to age 70 whichever occurs first.
- If you are normally working less than full time you are still covered and your benefit will be based on your actual earnings.

Q4: I already have a personal income protection policy how will this work?

If you have another income protection policy contact Aon, email nz.nzdf.enquiries@aon.com or telephone 0800 642 748 to discuss the implications. The policies are unlikely to pay duplicate benefits in respect of the same disablement.

Q5: When will a benefit stop being paid?

The Income Protection benefit payments under Tier 1 will cease:

- Once you stop being disabled.
- If you die.
- When you reach age 70 or at the end of the 2-year benefit period, whichever is the sooner.
- Whilst you are in jail or otherwise detained as a result of a criminal act.
- You make a false, dishonest or fraudulent claim or support any claim with false evidence.
- You do not undertake medical treatment and/or rehabilitation which would assist you to return to work.



TIER ONE

INCOME PROTECTION INSURANCE CONTINUED

Q6: What sort of disabilities or events that might prevent me from working are not covered?

Some examples of disabilities or events that can prevent you from working that are not covered include:

- intentional self-inflicted bodily injury or illness
- the taking of non-prescription drugs other than for therapeutic reasons
- the deliberate misuse of prescribed drugs, and
- participation in a criminal act.

Q7: Where does ACC (NZDF AEP) fit? Do I get both?

No – you don't get both unless your MIBP benefit exceeds your ACC payments. ACC covers accidents, and MIBP responds for sickness, and accidents not covered by ACC. If the ACC benefit is less than the sum assured under this policy (and you meet the definitions), this policy may pay the additional amount above the ACC payment.

Q8: If my salary is above the ACC maximum benefit level can I claim both?

Yes, the ACC maximum salary for benefits is currently \$126,286 (January 2019). If your salary plus military factor is above this amount you may also be able to claim under the MIBP Income Protection as it has a difference in limits feature.

Q9: Is there a stand down period before a claim can be made?

Yes – there is a stand down or waiting period of 90 calendar days from the date of your disablement. The stand down may be longer in certain circumstances:

- For Regular Forces members if NZDF continues to pay you beyond 90 days the two year benefit payment period will start from the date your NZDF pay ceases, or after 180 days whichever is the earlier.
- For civilian employees if you have sick leave longer than the 90 day period the two year benefit period will start from the date your sick leave expires.

Upon acceptance of the claim the first payment is made upon completion of the 90 days or the later date and fortnightly thereafter i.e. benefits are paid fortnightly in advance.

Q10: What will I be paid in the 90 Day stand down?

Each person's situation will be different. Please discuss your situation with your Commander/ Manager as appropriate.

- If you are concerned your arrangements are insufficient to cover the stand down period you can personally reduce your stand down period by paying an additional premium via Tier 2. You can reduce your stand down to either 30 days or 60 days.

Q11: If I am only partially disabled can I claim?

A Partial Disablement benefit may be payable where you are earning less income as a result of the disablement:

- Through accident or sickness you must have been totally unable to work for a minimum of 14 consecutive days and have returned to work for more than 10 hours per week.
- After the 90 day stand down period has expired and provided you are still Partially Disabled, you will be able to claim a Partial Disablement benefit. The benefit amount will be adjusted to reflect your new earnings.
- Disablement is from accident or sickness and can include sickness of a mental health nature.
- Partial disablement benefits are paid monthly in arrears.



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INCOME PROTECTION INSURANCE CONTINUED

Q12: What happens if I have a reoccurrence of a condition previously claimed for?

Many people on Income Protection claim recover and return to work full time before the end of the benefit period, i.e. under Tier 1 this is two years.

- A few people on returning to work full time then have a disability relapse from the same or related causes and if this occurs within six months of returning to work the 90 day stand down period will not be re-applied. The claim may be treated as an extension of the earlier claim, in which case the benefit period will apply to both the earlier claim and the period following relapse for a combined total payment period of two years.
- If the relapse occurs after six months from returning to work a new claim will be initiated. A new 90 day stand down will apply and a new two year benefit period will also apply.

Q13: If I am disabled and receiving an Income Protection claim benefit am I able to receive any rehabilitation assistance?

Yes – this is at the Insurer’s discretion to help cover the costs of specialised equipment or home alterations that have become necessary because of your disability. A lump sum of up to 13 times the fortnightly equivalent of your Income Protection benefit may be payable at the Insurer’s discretion to help cover these costs. This is in addition to your fortnightly Income Benefit.

Q14: Is the Income Protection benefit taxable?

Yes – your Income Protection benefit is income and therefore taxable just like your salary. The benefit paid to you will include tax and you will be responsible to pay the tax to the IRD.

Q15: How often are claim payments made?

Income Protection claim payments for those who are totally disabled are paid fortnightly in advance. The first payment will be made at the end of the 90 day stand down period. This means it will be 90 days from the start of your disablement before you receive your first payment.

Partial disablement claim payments are payable monthly in arrears

Q16: Can my Income Protection claim benefit be reduced by other income I receive?

Potentially yes, your Income Protection claim benefit may be reduced by income paid by reason of:

- any injury and/or illness disability income benefits paid under any superannuation scheme or any other insurance policy or scheme. You can however receive National Superannuation, a Veterans Pension, a GSF pension and your KiwiSaver funds without any reduction.
- ACC, weekly compensation, accident insurance, social security payment or any other state provided benefit, or
- salary, wages or other remuneration.

If this applies to you, contact Aon who will clarify your situation and answer any questions you may have.

Q17: Once I am on Income Protection claim what happens next?

Depending upon the severity of your disablement, the insurer will contact you from time to time to ascertain your disablement condition to ensure you are still entitled to payments.

Q18: Once on an income protection claim is my benefit ever increased?

Yes, once you are on an income protection claim the amount of benefit is reviewed at each annual claim anniversary and increased by the lesser of the percentage increase in the CPI index over the corresponding period or 5%.



TIER ONE

INCOME PROTECTION INSURANCE CONTINUED

Q19: If I have an Income Protection claim e.g. for a heart attack, and recover, and later I have another heart attack or even a cancer disability, can I make a fresh Claim?

Yes. Each disablement is treated separately and on its own merits. A new benefit period of up to two years will apply to each new claim.

Q20: If I claim who makes the medical assessment? What happens if I have a claims issue or my claim is declined?

The insurer makes all medical assessments in respect of your claim. If there are any issues, in the first instance contact Aon on 0800 642 748 or nz.nzdf.enquiries@aon.com

Q21: Is NZDF obliged to keep my employment open for me for the duration of an income protection claim?

No, however each situation is treated on a case by case basis and your Commander/Manager is to seek advice from the local HRA before taking any action in this respect.





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TIER TWO Additional top up benefits for you!

GENERAL INFORMATION

Tier 2 offers insurance benefits you may not be able to obtain in a retail policy and premiums are often lower. Upon joining NZDF and within a 60 day Special Offer Period, and up to certain limits, most pre-existing conditions are fully protected without undergoing a health assessment providing you can answer no to two health questions on the application form.

All full time and part time members of the Regular Forces, and all permanent or fixed term NZ based civilian employees (full and part time) are eligible for membership.

Casual employees and foreign based Locally Employed Civilians are not covered by MIBP Tier 2.

All reference to salary mean base salary.

Q1: What extra insurance benefits are available to me under Tier 2?

Life, Terminal Illness & Physical Loss Insurance

Life and Terminal Illness is available in units of \$50,000 up to a maximum Tier 2 amount of \$1 million. This is in addition to Tier 1 benefits.

The maximum Life and Terminal Illness benefit can be increased to \$1.3 million if you already have the Tier 2 \$1 million and you leave NZDF and transfer your full Tier 1 \$300,000 benefit to Tier 2.

Physical Loss is increased by \$50,000 in addition to the Tier 1 benefit.

NZDF Operational Services – Armed Combat and Major War Fighting

Life insurance for Armed Combat and Major War Fighting is covered under Tier 2 subject to the following conditions:

- There is a six month stand down period from the date of joining Tier 2 before Life Cover for Armed Combat and Major War Fighting applies, all other duties are fully covered from date of joining. The six month stand down is retrospective e.g, if you have previously taken out Life & Terminal illness insurance under Tier 2 the stand down period applies from the date of joining Tier 2.
- Cover for Armed Combat and Major War Fighting is capped at the lesser of your Tier 2 benefit or \$300,000.

Income Protection, Physical Loss and Critical Illness cover are not available for Armed Combat and Major War Fighting; all other duties are fully covered from date of joining.

Income Protection Insurance

Extending Tier 1 benefits from the two year benefit period, up to five years or even to age 70. These would be in addition to any other insurance policies you may hold. If you have another income protection policy please contact Aon to discuss the implications. The policies are unlikely to pay duplicate benefits in respect of the same disablement.

Critical Illness

Provides a cash injection benefit - available in units of \$5,000 up to a maximum amount of \$500,000.

Q2: I understand that there may be some important joining concessions for me under Tier 2, what are they?

Concessionary Cover & Full Pre-existing Conditions Protection

Concessionary cover up to the limits detailed below is available if you apply for Tier 2 options within 60 days of you joining NZDF. This pre-existing conditions cover applies, subject to you being able to answer 'No' to two health questions and signing the declaration on the Tier 2 Quote Acceptance Form:

1. Life, & Terminal Illness insurance

- a) You can buy up to six units of \$50,000 i.e. total of \$300,000. Additional units may be purchased subject to health assessment.
- b) Physical Loss is automatically included in the 1st \$50,000 unit, it is not available separately.

Special Events cover is also available. Please refer to Q14 on page 8 for more details.



TIER TWO

GENERAL INFORMATION CONTINUED

2. Income Protection Insurance

Extends the two year benefit period under Tier 1 to five years:

- a) Automatically available for salary levels including Military Factor up to \$110,000.
- b) If your salary plus Military Factor is above \$110,000, you can have cover above this “joining concession”, but subject to health assessment for the amount above \$110,000. Aon will advise you on this.

3. Critical Illness insurance

You can buy units in multiples of \$5,000 up to a total of \$60,000.

How to apply for top up cover within the joining concession limits

When you join NZDF you have a Special Offer period of 60 days to apply for top cover without any health assessment and this includes full pre-existing conditions protection to the limits detailed under each policy, subject to you being able to answer no to two health questions on the application form.

Contact Aon on **0800 642 748** or nz.nzdf.enquiries@aon.com to request your new joining quotation and application form.

NB If you apply for Tier 2 options outside the Special Offer 60 day period, a full health assessment may be required and pre-existing conditions may not be covered or terms or exclusions could apply.

Q3: When are these Special Offers available?

- Within 60 days of you joining NZDF (or completing your Initial Recruit Course), or
- When special windows are established for this purpose.

Q4: If I have taken advantage of an earlier Special Offer does this mean I can do it again?

- **Yes**, though you can only have one opportunity for the maximum special offer.
- If you have taken a lesser amount then you can top up or add a benefit you haven't previously taken.
- If you were previously declined cover or special conditions applied contact Aon and they will guide you.

What other concessions are available?

At each Renewal you can increase your Life and Terminal Illness and Critical Illness cover by 5% without any health assessment. If you take out Tier 2 cover Aon will contact you prior to each renewal to see if you would be interested in this increase.

Q5: How do I find out about how much these Tier 2 insurance benefits will cost me?

Contact Aon on:

Email: nz.nzdf.enquiries@aon.com, or

Tel: 0800 642 748.

Q6: How do I take out the Tier 2 cover?

Complete and sign the Tier 2 application form available from Aon and return to nz.nzdf.enquiries@aon.com.

If at any time you require additional cover or if you would like to apply for cover above the Special Offer limit contact Aon who will send you a personal quotation. Please note that a personal health statement will need to be completed for an application above the Special Offer limits.



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GENERAL INFORMATION CONTINUED

Q7: What if I am unable to sign the declaration?

Contact Aon and they will provide assistance in this regard.

Q8: How do I pay for these Tier 2 insurance benefits?

By monthly direct debit from your bank account.

The Tier 2 application forms include a direct debit form, Tier 2 premiums will then be deducted from the Bank Account nominated by you on the 20th of each month, until you advise to the contrary.

Q9: Can I have deductions made from my pay?

No, the only payment option is by direct debit.

Q10: What happens if for some reason I miss my direct debit payment?

- If for some reason you miss a direct debit payment a double payment will be requested the next month.
- If you also miss payment the next month you will be requested to pay the missing amounts by bank transfer.
- If you miss three months direct debit payments your cover will lapse. If you are still a member of NZDF you can reapply to join the MIBP, however you will need to complete a health assessment for all cover.
- If your premiums are in arrears, no claims under Tiers 2 & 3 will be paid until your premiums are up to date.

Q11: What is a health assessment?

Health assessment is required where you want cover above the automatic concession for that benefit or apply for cover outside any special offer period.

Initially the assessment is the completion of a health questionnaire. The insurer may also ask for a doctor's report or some tests, usually these tests will depend upon your age, the level of additional cover you want and your health history. The Insurer will usually cover the costs associated with your application process.

When undertaking health assessment some people are accepted at standard conditions and premiums, however some applicants are charged an additional premium or a medical condition might be excluded for cover. Very rarely the additional cover might be declined. In those instances the automatic benefits are not affected.

Q12: How long can I be covered for under Tier 2?

You are covered up to age 80 for life & terminal illness and age 70 for all other benefits.

If you have been paid your full Critical Illness benefit the Critical Illness cover ceases. Your physical loss benefit will also cease when the full benefit has been paid.

Q13: What happens to my Tier 2 benefits if I leave NZDF?

As your premiums are paid by direct debit your cover will continue as long as the premiums are paid. You should contact Aon if you have any questions or want to change this cover. Regular Forces members with Tier 2 cover should contact Aon when you leave NZDF as your premiums will move to a cheaper Civilian rate.

If you have taken the Tier 2 Income Protection top up to five years or to age 70 it is important that you apply for the continuation of your Tier 1 Income Protection when you leave NZDF. The Tier 2 cover is designed to be integrated with the Tier 1 benefit.



TIER TWO

GENERAL INFORMATION CONTINUED

Q14: If I leave NZDF do I have to be a Tier 2 member to transfer my Tier 1 benefits to Tier 2?

No, you can be set up as a new Tier 2 member; however you must do this within 60 days of leaving NZDF. If you contact Aon outside of the 60 day period you will need to rejoin under Tier 4, a health assessment will be required.

Q15: Who do I contact about claims or for general information?

For claim and general enquiries contact Aon in the first instance: **0800 642 748** or email nz.nzdf.enquiries@aon.com.

Q16: What is not covered under the Tier 2 Life & Terminal Illness insurance?

- There is no cover for Suicide within the first 13 months from the date you take this insurance out.
- A terminal illness diagnosed prior to joining this policy is not covered.

LIFE, TERMINAL ILLNESS & PHYSICAL LOSS

Q1: How does the Tier 2 Life & Terminal Illness Insurance work?

Life Insurance provides a tax free lump sum payment of the amount you are insured for if you die, from any cause. If you are diagnosed as terminally ill, the lump sum may be paid in advance of death.

Q2: If I die who is the death benefit paid to?

The death benefit will be paid to your estate, therefore it is very important to have an up-to-date Will.

Q3: How do I qualify for a Terminal Illness benefit and how is this benefit paid?

If your specialist diagnoses you as being terminally ill and likely to die within 12 months, the Insurer has an option to pay the death benefit early, i.e. payment in advance of death.

There are also a number of Advance Benefit conditions on which the Terminal Illness benefit will be paid upon diagnosis, refer to Schedule 2 on page 30. The amount of Terminal Illness Advanced Benefit payable is thirty percent (30% Subject to a maximum of \$250,000) of the Life Amount Insured. For more information contact Aon.

Q4: What if I am paid out and then don't die from the terminal illness within 12 months?

You are not required to pay the money back. However as the terminal illness payment is an early payment of the death benefit when you do eventually die no further funds will be paid.

Q5: As the payment of a death claim can sometimes be delayed with estate issues, can an advance Funeral Benefit be paid?

- **Yes** it can. Subject to Policy Owner and Insurer approval, a Bereavement Support Benefit of up to \$15,000 can be advanced from your Tier 2 Life Benefit to cover approved funeral expenses.
- Enquiries about a Claim for a Bereavement Support Benefit should be directed to an HRA or Aon **0800 642 748**.
- The estate should check for any other entitlement with NZDF and/or Veterans Affairs New Zealand.

Q6: How long am I covered for under this Plan?

The Tier 2 Life & Terminal Illness benefits cover you as long as your premiums continue to be paid, until you reach the age of 80 or if a Death or Terminal Illness claim is paid under this policy. The Physical Loss Insurance covers you until you attain the age of 70. The Life & Terminal Illness benefit is not affected if a Physical Loss benefit is paid.



REGULAR FORCES

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TIER TWO

LIFE, TERMINAL ILLNESS & PHYSICAL LOSS CONTINUED

Q7: How does the Physical Loss Insurance work?

The Physical Loss Insurance is an accident benefit based on a specified list of events and a payment associated with each event. The maximum amount under Tier 1 is \$50,000. Refer to the Schedule 1 Physical Loss on page 27 to this FAQ to see the scale of payments. If a Physical Loss benefit is paid the balance of the Physical Loss benefit is reduced by the amount of benefit paid.

Q8: Are Physical Loss payments in addition to ACC (AEP)?

Yes, all Physical Loss payments are additional to any ACC payments.

INCOME PROTECTION INSURANCE

Q1: What are the options available under the Tier 2 Income Protection?

The following are the available options to upgrade your Tier 1 income protection benefit. Depending upon your requirements and your salary level, you can:

1. Increase your Tier 1 benefit payment period from 2 years up to 5 years.
The benefit up to 75% of \$110,000 base salary including Military Factor is available automatically within the joining concession and Special Offer periods.
2. Increase option 1. above from 5 years to age 70, this is subject to health assessment.
3. If your base salary plus Military Factor is above \$110,000 you can take 1. above and increase your benefit to 75% of actual salary plus Military Factor, subject to health assessment.
4. If your Tier 1 base salary plus Military Factor is above \$160,000 you can apply to increase your Tier 1 benefit to 75% of your actual salary plus Military Factor, for the Tier 1 benefit period of two years, as well as the options above, subject to health assessment.
5. Note the following benefit scale applies: 75% of salary up to \$320,000 salary, plus 50% of the next \$80,000 salary, plus 25% of your remaining salary to a maximum benefit of \$300,000 pa
6. You can reduce your 90 day Tier 1 stand down period by paying an additional premium. The choices are 30 days or 60 days. This option is subject to health assessment.

Q2: How does this work if my salary plus Military Factor is above \$110,000?

If your salary plus Military Factor is above \$110,000 you automatically get the benefit of \$82,500 equating to the \$110,000 salary including Military Factor. Any benefit calculated above this will be subject to health assessment by the insurer. A health assessment questionnaire will be supplied upon request as the first step in this process.

Q3: Are the premiums I pay for Income Protection tax deductible?

As at 1 October 2018, the income protection premiums are tax deductible and Aon will give you an annual confirmation for submission to IRD provided you keep Aon notified of your current email address.

Q4: Are there any situations not covered under the Income Protection Policy

This Policy does not cover any loss, caused wholly or partly, directly or indirectly or resulting from:

- a) Normal pregnancy, uncomplicated childbirth or miscarriage; or
- b) Any intentional, self-inflicted Injury or Illness, or any attempt at suicide or self-destruction while either sane or in insane; or
- c) Drug or substance abuse; or
- d) Violation or attempted violation of the law or resistance to lawful arrest.



TIER TWO

CRITICAL ILLNESS INSURANCE

Q1: How does Critical Illness insurance work;

- Provided you meet the terms and Critical Illness conditions of the policy, and you survive for 14 days after a Critical Illness event diagnosis (not on life support) and your claim is accepted by the insurer.
- If you are diagnosed with any of the Critical Illness conditions listed, a lump sum will be paid to you.
- Refer to page 38 for the Critical Illness Policy exclusions.

Q2: What are the Critical Illness conditions?

There are 39 conditions covered. Please refer to schedule 3 on page 31 of this FAQ; or to the policy on the HR Toolkit; or the NZDF MIBP website: <https://nzdf.synergyhealthltd.com/register/MIBP>

NB. Each Critical Illness critical condition is specifically defined in the policy document e.g. what actually is a heart attack? For example, a very minor heart attack may not reach the policy definition of a "heart attack". The same principle may apply to other Critical Illness critical conditions. If you have any questions or any doubt on the above contact Aon New Zealand.

Q3: What are the options available to me under Critical Illness insurance?

Critical Illness insurance is available in units of \$5,000, up to \$60,000 without health assessment during the Special Offer period and as part of the joining concessions. The maximum amount of Critical Illness insurance you can buy is \$500,000.

Q4: How could I use a Critical Illness benefit?

A Critical Illness insurance payment may be used to cover additional expense or loss of income for yourself or where a partner is required to give up work or go on reduced income to care for you etc.

Q5: What are the limitations on the Critical Illness benefits?

- Only new events diagnosed after you join MIBP Critical Illness are covered. The joining concession is still very important as there are many medical conditions that lead to an event that are still covered for example high blood pressure is often a precursor to heart or stroke conditions.
- Once you have had a claim paid your Critical Illness cover under this policy ends. The single exception is if you were paid a claim for a 10% angioplasty benefit whereby 90% of your benefit remains for a future claim.
- There is a 90 day exclusion for certain events occurring in the first three months of your joining (refer to Schedule 3 of this FAQ).





TIER THREE Cover for your Partner/Spouse

GENERAL INFORMATION

You can obtain benefits for your Spouse/Partner (Partner who is not a member of NZDF) at your own cost.

Q1: What options are available to my partner under Tier 3?

The Partner of all full time and part time members of the Regular Forces, Reserve Force, and all permanent or fixed term Civilian employees are eligible for:

- Life & Terminal Illness insurance in units of \$50,000 to a maximum of \$1,000,000.
- Critical Illness insurance is available with an initial unit of \$10,000 and thereafter in units of \$10,000 to a maximum value of \$500,000.

NB The Tier 3 Critical Illness cover is an accelerated benefit which means Critical Illness cover can only be taken with the Life & Terminal illness cover and the Tier 3 Life benefit will be reduced by the amount of any Critical Illness claim payment

Q2: What are Tier 3 “joining concessions”?

Automatic cover up to the limits detailed below is available for the special offer period when you first join NZDF, or you have a new partner or during any other special offering if your Partner applies for Tier 3 options within the special offer period. This means limited health assessment, i.e. your Partner being able to answer ‘no’ to two health questions and sign the declaration on the Application form then cover for pre-existing conditions applies.

Life & Terminal Illness insurance

Has an automatic cover of \$150,000 i.e. Three units of \$50,000. You do not have to take three units the minimum amount is one unit.

Critical Illness insurance

Has automatic cover of \$20,000 i.e. Two units of \$10,000. The minimum amount you can take is one unit of \$10,000.

If you respond after the Special Offer 60 day period you will need to be health assessed and the “joining concessions” cannot apply. All cover otherwise is subject to health assessment.

Q3: How does my Partner take out the Tier 3 cover?

Contact Aon to advise them of your Partner’s date of birth and gender. Aon will then send you a Tier 3 quotation and application form. Your Partner will need to complete and sign the declaration on the form and return this to Aon.

Q4: Once my partner has taken cover can they increase it?

Yes, Contact Aon.

At each Renewal your Partner can increase their Life and Terminal Illness and Critical Illness cover by 5% without any health assessment. If they take out Tier 3 cover Aon will contact you prior to each renewal to see if your partner wants this increase. At any other time increases may be subject to a health assessment.

Special Events cover is also available. Please refer to Q14 on page 8 for more details.

Q5: What if my Partner is unable to sign the declaration?

Contact Aon and they will provide assistance in this regard.

Q6: Are there any exclusions?

Yes,

- A Life benefit will not be payable for a claim arising from suicide within the first 13 months.
- War or war like activities, or services in the armed forces
- Any terminal illness diagnosed prior to the date of joining this plan
- Only new events diagnosed after you join MIBP Critical Illness are covered - Refer to page 37 for the Critical Illness Policy exclusions.



TIER THREE

GENERAL INFORMATION CONTINUED

Q7: How are the Tier 3 premiums paid?

You or your Partner pay the Tier 3 premiums by monthly Direct Debit from your bank account.

Q8: What happens if for some reason I miss direct debit payment?

- If for some reason you miss a direct debit payment a double payment will be requested next month.
- If you also miss payment the next month you will be requested to pay the missing amounts by bank transfer.
- If you miss three months direct debit payments the covers will lapse.
- If you are still a member of NZDF your Partner can reapply to join the MIBP Tier 3 however they will need to complete a health assessment for all cover. If you are no longer a member of the NZDF your Partner/Spouse will be unable to re-join Tier 3. If your premiums are in arrears no claims under Tiers 3 will be paid until premiums are up to date.

Contact Aon on 0800 642 748 or email nz.nzdf.enquiries@aon.com

Q9: If I have a Critical Illness claim and then have a claim for a different event, do I get another benefit?

No. Once you have had a Critical Illness claim paid your cover under this policy ends. The single exception is if you were paid a claim for a 10% angioplasty benefit whereby 90% of your benefit remains for a future claim. Your life cover will be reduced by the Critical Illness payment.

Q10: How long can my Partner be covered for under Tier 3?

As long as premiums continue to be paid your partner can continue to be covered up to age 80 for death & terminal illness and age 70 for the Critical Illness benefits.

Q11: If I leave NZDF can my Partner's Tier 3 benefits be retained to keep their insurance protection in place?

Yes they can, just continue your monthly Direct Debit payments.
Premiums continue at the discounted plan rate.

Q12: If my Partner should change, can my new Partner access Tier 3?

Yes they can, please contact Aon on 0800 642 748, and they will be able to help.

Q13: If my new Partner joins Tier 3 can my previous Partner remain covered?

Yes, as long as premiums continue to be paid.



TIER FOUR

COVER FOR EX NZDF MEMBER

Q1: What is available under Tier 4?

Tier 4 allows access to Tier 2 benefits for ex NZDF members. These benefits are paid by the ex member and are a matter between the member and the insurer.

Contact Aon on 0800 642 748 or NZ.NZDF.enquiries@aon.com for more information.

TIER FIVE

COVER FOR DEFENCE COMMUNITY

Q1: What is available under Tier 5?

Tier 5 will introduce a range of benefits for the greater Defence Community. The first benefit is a Funeral Plan introduced in August 2017.

Get a no obligation quote and apply online here:

<https://realcover.co.nz/funeralcover/?AON>





TIER SIX

EXTRA PROTECTION SOLUTIONS FOR YOU AND YOUR FAMILY

You can obtain additional benefits, for yourself, your Partner and your children at your own cost.

Q1: What cover is available under Tier 6?

Insurance options not available under Tiers 2 & 3, e.g. additional life , Income Protection and Critical Illness, cover for adult children etc.

Q2: Are there any concessions?

Tier 6 is outside the spectrum of the group policies and is a retail option that is fully underwritten by AIA New Zealand. However any cover taken out via Tier 6 may attract a premium discount.

Q3: How do I get further information?

Attend a presentation or contact Aon on:

Email: nz.nzdf.enquiries@aon.com

Tel: 0800 642 748

Or refer to the Force Financial Hub <http://www.nzdf.mil.nz/families/financial-hub/>.

ABOUT THE INSURER

All insurances available as part of the NZDF MIBP are underwritten (insured) by AIA New Zealand.

AIA New Zealand, is part of AIA Group, the largest independent publicly listed pan-Asian life insurance group – with a presence in 18 markets around the Asia-Pacific region. Copies of AIA's disclosure statements are available on request, free of charge.

AIA has a Standard and Poor's Financial Strength Rating of AA- (Very Strong),. AIA's rating is given by Standard and Poors, an approved insurance rating agency.





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MISCELLANEOUS

DFSS MEMBERS

Q1: How does MIBP impact on DFSS members?

MIBP is additional to DFSS insurance, all DFSS members are fully covered under the MIBP arrangements provided by NZDF.

Q2: How will the overlay of MIBP and the DFSS Insurance benefits work?

MIBP Tier 1 provides for Life and Terminal Illness cover of \$300,000.

DFSS Members should check their Superfacts site or phone Mercer on 0800 333 787 to obtain details of their actual Death or Total Permanent Disability payment available to them through membership of the DFSS.

DFSS members (or their estates) will be able to access:

- Three potential Life insurance & Terminal Illness payments:
 1. your insured Life & Terminal Illness benefit through the DFSS
 2. your MIBP Tier 1 benefits, and
 3. your MIBP Tier 2 benefits, if any.
- The DFSS Total Permanent Disability payment.
- Physical Loss Insurance of up to \$50,000.
- Income Protection Insurance, payable at a rate of 75% of base salary payable for up to two years after the 90 day stand down period.

Q3: Why do DFSS members continue to pay for their DFSS insurance?

DFSS members have additional insurance to that supplied under MIBP Tier 1 by NZDF. Therefore they are paying for that insurance as a part of their DFSS superannuation membership rules and those overall benefits.

CDF continues to fund MIBP Tier 1 for DFSS members.

Q4: As a DFSS member am I able to exercise the options available to NZDF personnel through Tiers 2, 3 or 6?

Yes, at any time DFSS members are able to access the Tiers 2, 3 or 6 options, subject to the standard rules governing each Tier. See the following sections on Tiers 2, 3 & 6.





MISCELLANEOUS

GLIP'S (ARMY & RNZAF GROUP LIFE INSURANCE PLANS)

Q1: What is the impact of these arrangements on the current GLIP's?

- The GLIP's ceased to accept new subscribers from 1st October 2014. GLIP subscribers as at 1 October 2014 are able to continue with their arrangements.
- If you are a current GLIP member and are considering moving your cover to Tier 2 it is recommended that you contact Aon as there are differences between the Tier 2 Critical Illness cover and GLIP cover.

Q2: What is the difference between Tiers 2 & 3 cover and the cover available under the GLIP's?

- GLIP's provide Life, Terminal Illness and has Critical Illness insurance options but the acceptance by the Insurer was subject to full health assessment.
- Tiers 2 & 3 provide options for Life & Terminal Illness, Critical Illness and Income Protection insurance to supplement Tier 1 cover and have certain "automatic joining concessions" that can provide cover up to generous limits without health assessment.
- The cover under the GLIP's cease at age 65 whereas MIBP life & terminal illness cover ceases at age 80 and all other covers under MIBP cease at age 70.

Q3: How will a GLIP subscriber be able to compare their current cover with the MIBP?

Contact Aon on 0800 642 748 or email nz.nzdf.enquiries@aon.com

Q4: Can I keep my GLIP covers and join Tier 2 as well?

Yes, you can keep your benefits under the GLIP's and choose any of the options under Tiers 2 & 3.

Please note the insurer for the GLIP's is Sovereign.



MISCELLANEOUS

SOUTHERN CROSS - MEDICAL INSURANCE



Q1: What does the Southern Cross medical insurance package offer NZDF personnel?

A number of cover options including some attractive premium discounts. Contact Southern Cross for all information - **0800 438 268**. Information is available on the force financial hub - <http://www.nzdf.mil.nz/families/financial-hub/medical-ins/default.htm> and the NZDF MIBP website: <https://nzdf.synergyhealthltd.com/register/MIBP>.

Q2: Are members able to sign up their family members?

Yes. Contact Southern Cross for all information – 0800 438 268.

Q3: Does the Southern Cross policy cover my medical costs if I am posted or deployed overseas?

No, generally Southern Cross only covers medical expenses incurred in NZ, some policies may have an allowance for some overseas treatment not otherwise available in NZ. You should check with Southern Cross.



SCHEDULES

SCHEDULE 1 - PHYSICAL LOSS

Insured Event - Events are only covered if they occur by Accident Causes \$50,000.

Insured events		% of sum insured payable
1. Diplegia	Total and permanent loss of function of both arms or both legs due to injury of the spinal cord	100%
2. Hemiplegia	Total and permanent loss of function of one side of the body due to brain injury	100%
3. Paraplegia	Total and permanent loss of function of both legs due to injury of the spinal cord	100%
4. Quadriplegia/Tetraplegia	Total and permanent loss of function of both upper and lower limbs due to injury of the spinal cord	100%
5. Permanent total loss of use of limbs (entire hand or entire foot)	Two or more limbs	100%
	One limb	50%
6. Permanent total loss of entire sight whether aided or unaided of	Both eyes	100%
	One eye	50%
7. Permanent total loss of entire sight of one eye (whether aided or unaided) and permanent total loss of use of one limb (entire hand or entire foot)		100%
8. Permanent loss of all hearing whether aided or unaided in	Both ears	100%
	One ear	20%
9. Permanent loss of use of 4 fingers and thumb of either hand	(fingers 2 joints or more, thumb one joint or more)	40%
10. Permanent loss of use of 4 fingers of either hand	2 joints or more	25%
11. Permanent loss of use of thumb of either hand	1 joint or more	25%
12. Permanent loss of use of 1 finger of either hand	2 joints or more	5%
13. Permanent loss of use of toes of 1 foot	All	15%
14. Permanent loss of use of toes of 1 foot	great (big toe) – both joints	5%
15. 3rd degree burns (covering more than 40% of body)	(Burns means damage caused by thermal, electrical or chemical agents resulting in tissue injury to a percentage of the body surface as measured by The Rule of Nines of the Lund and Browder Body Surface Chart)	50%
16. Fractured upper or lower leg or patella – non-union	(Fracture means the cracking or breaking of a bone as result of an accidental injury but specifically Excludes any fractures that result from excessive physical activity (e.g. stress fractures) or a Degenerative condition and not from any specific injury)	10%
17. Shortening of leg by at least 5cm		7.5%



SCHEDULES

SCHEDULE 1 - PHYSICAL LOSS CONTINUED

Insured events	% of sum insured payable
18. Hospitalization due to traumatic brain injury at 15th consecutive day of hospitalization Note 1: Duration of hospitalization includes dates on which member is transported from the injury site to a hospital facility, admitted to the facility, transferred between facilities, and released from the facility	50%
19. Genitourinary Losses	
Anatomical loss of the penis Anatomical loss of the penis is defined as amputation of the glans penis or any portion of the shaft of the penis above the glans penis (i.e. closer to the body) or damage to the glans penis or shaft of the penis that requires reconstructive surgery	100%
Permanent loss of use of the penis Permanent loss of use of the penis is defined as damage to the glans penis or shaft of the penis that results in complete loss of the ability to perform sexual intercourse that is reasonably certain to continue throughout the lifetime of the member	100%
Anatomical loss of one testicle Anatomical loss of the testicle(s) is defined as the amputation of, or damage to, one or both testicles that requires testicular salvage, reconstructive surgery, or both.	50%
Anatomical loss of both testicles See above – Same definition as anatomical loss of one testicle	100%
Permanent loss of use of both testicles Permanent loss of use of both testicles is defined as damage to both testicles resulting in the need for hormonal replacement therapy that is medically required and reasonably certain to continue throughout the member's lifetime	100%
Anatomical loss of the vulva, uterus, or vaginal canal Anatomical loss of the vulva, uterus, or vaginal canal is defined as the complete or partial amputation of the vulva, uterus, or vaginal canal or damage to the vulva, uterus, or vaginal canal that requires reconstructive surgery	100%
Permanent loss of use of the vulva or vaginal canal Permanent loss of use of the vulva or vaginal canal is defined as damage to the vulva or vaginal canal that results in complete loss of the ability to perform sexual intercourse that is reasonably certain to continue throughout the lifetime of the member	100%
Anatomical loss of one ovary Anatomical loss of the ovary(ies) is defined as the amputation of one or both ovaries or damage to one or both ovaries that requires ovarian salvage, reconstructive surgery, or both	50%
Anatomical loss of both ovaries See above – Same definition as anatomical loss of one ovary	100%
Permanent loss of use of both ovaries Permanent loss of use of both ovaries is defined as damage to both ovaries resulting in the need for hormonal replacement therapy that is medically required and reasonably certain to continue throughout the member's lifetime	100%
Total and permanent loss of urinary system function Total and permanent loss of urinary system function is defined as damage to the urethra, ureter(s), both kidneys, bladder, or urethral sphincter muscle(s) that requires urinary diversion and/or hemodialysis, either of which is reasonably certain to continue throughout the lifetime of the member	100%
20. Traumatic injury resulting in inability to perform at least 2 Activities of Daily Living (ADL)	
At 60th consecutive day of ADL loss	50%
At 180th consecutive day of ADL loss - an additional	50%
Current definition of ADL's; after consideration of medical and other appropriate evidence, the insurer is satisfied that the member has been absent from their usual employment due to an accident for a minimum period of 60 consecutive days from the date of disablement, and is totally and irreversibly unable, as a result of that accident, to perform without assistance at least two of the following activities for themselves: bathing and showering, dressing and undressing, eating and drinking, using a toilet, moving from place to place by walking, in a wheelchair or with a walking aid.	



SCHEDULES

SCHEDULE 2 - TERMINAL ILLNESS

Terminal Illness Advance Benefit Conditions

The Terminal Illness Advance Benefit Conditions are:

- a) Motor Neurone Disease; or
- b) Advanced Huntington's Disease; or
- c) Stage 3 or 4 Exocrine Pancreatic Cancer; or
- d) Stage 4 non-small Cell Lung Cancer; or
- e) Stage 4 Distal Oesophageal Cancer; or
- f) Stage 4 Malignant Melanoma; or
- g) Advanced Organ Failure.

In the event that you are diagnosed with one of the terminal illnesses listed above, thirty percent (30%) of the Life Amount Insured will be payable.

1. Advanced Huntington's disease means a definite diagnosis of advanced Huntington's disease by an appropriate specialist Medical Practitioner and for which the formal prognosis of life expectancy is less than twenty-four (24) months.
Advanced Organ Failure means end stage organ failure that is non-amenable or responsive to medical treatment including organ transplant and for which the formal prognosis of life expectancy is less than twenty-four (24) months.
Organ means:
 - a) Heart; or
 - b) Both Lungs; or
 - c) Liver; or
 - d) Both kidneys.
2. AIA New Zealand may alter this list of Terminal Illness Advance Benefit Conditions from time to time as a result of the conditions becoming curable or improvements in the medical outlook for the condition.



SCHEDULES

SCHEDULE 3 - CRITICAL ILLNESS - MIBP TIERS 2 & 3

Covered Critical Illness Conditions

- Alzheimer's disease and dementia
- Angioplasty
- Aplastic anaemia
- Cancer
- Chronic liver failure
- Chronic lung disease
- Chronic renal failure
- Heart Attack
- HIV (accidental infection)
- Intensive Care Treatment
- Major Burns
- Major transplant surgery
- Stroke
- Loss of functionality
- Loss of independent existence
- Permanent Blindness
- Permanent Loss of Speech
- Permanent Loss of Hearing
- Permanent Loss of Two or more Limbs
- Loss of one hand or one foot and sight of one eye
- Meningitis/ Meningococcal Disease
- Major cardiovascular disease
 - Aortic Surgery
 - Cardiomyopathy
 - Coronary artery Bypass surgery
 - Heart Valve Surgery
 - Out of Hospital Cardiac Arrest
 - Pulmonary Hypertension
- Major neurological disease (other than stroke)
 - Benign Brain Tumour
 - Coma
 - Encephalitis
 - Parkinson's Disease
 - Major Head Trauma
- Motor Neurone Disease
 - Multiple Sclerosis
 - Muscular Dystrophy
 - Peripheral Neuropathy
- Paralysis
 - Diplegia
 - Hemiplegia
 - Paraplegia
 - Quadriplegia
- Pneumonectomy

NB Each Critical Illness condition is specifically defined in the policy document e.g. what actually is a heart attack? For example a very minor heart attack may not reach the policy definition of a "heart attack". The same principle may apply to other Trauma critical conditions. If you have any questions or any doubt on the above contact Aon New Zealand.

A Critical Illness benefit shall not be payable for the following conditions if you know you already have the condition prior to joining MIBP or suffer the condition for the first time within three months of commencement of this insurance under MIBP. The conditions that fall under this no claim benefit period are:

- Angioplasty
- Aortic surgery
- Cancer
- Chronic liver disease
- Chronic lung disease
- Coronary artery by-pass surgery
- Heart attack
- Heart valve surgery
- Multiple sclerosis
- Permanent blindness
- Stroke

After the no claim benefit period is up, full cover for all Critical Illness conditions applies though a condition would be excluded without separate approval if you have previously suffered that trauma event prior to joining the plan. If you have any questions or any doubt on the above contact Aon New Zealand.



SCHEDULES

CRITICAL CONDITIONS

The Critical Illness Insurance Policy Definitions as at 1 July 2014 are as follows.

1. Accidental HIV Infection

Infection with the human immunodeficiency virus (HIV) acquired by accident or violence during the course of the Insured Member's normal occupation or through the medium of a blood transfusion, transfusion of blood products, organ transplant, assisted reproduction technique or other medical procedure or operation performed by a doctor or at a recognised medical facility. Sero-conversion evidence of the HIV infection must occur within six months of the accident. HIV infection transmitted by any other means, including but not limited to sexual activity or non-medical intravenous drug use, is not Accidental HIV Infection under the Policy.

Any accident giving rise to a potential claim must be reported to the Company within thirty days and be supported by a negative HIV antibody test taken within seven days after the accident. We must be given access to test independently all blood samples used, if we require. The Company retains the right to take further independent blood tests or other medically accepted HIV tests.

2. Alzheimer's Disease

Dementia resulting in permanent failure of brain function with Significant Cognitive Impairment due to no recognisable cause, confirmed by a consultant neurologist. Significant Cognitive Impairment means a permanent deterioration or loss of intellectual capacity that requires the Insured Member to be under continual care and supervision by someone else for at least four (4) hours per day. Significant Cognitive Impairment which is directly or indirectly caused by alcohol or drug abuse is excluded.

3. Angioplasty (Triple Vessel)

Undergoing Angioplasty (with or without insertion of a stent) to three or more coronary arteries within the same procedure to treat coronary artery disease. Angiographic evidence, indicating obstruction of three or more coronary arteries, is required to confirm the need for this procedure.

Other Angioplasty (10% payment)

Undergoing coronary artery balloon angioplasty, considered medically necessary by a consultant cardiologist, to correct a narrowing or blockage of one or more coronary arteries.

4. Aplastic Anaemia

Bone marrow failure that results in anaemia, neutropenia and thrombocytopenia requiring treatment.

5. Benign Brain Tumour

A non-cancerous tumour in the brain or spinal cord which is histologically described and which:

- produces neurological damage and functional impairment which we consider is likely to be permanent; or
- requires cranial surgery for its removal.

Neurological damage and functional impairment includes but is not limited to: memory loss, impaired speech, weakness of limbs and visual field defects.

The following are excluded:

- cysts, granulomas and cerebral abscesses; or
- malformations in, or of the arteries or veins of the brain; or
- haematomas; or
- tumours in the pituitary gland unless it is sufficiently large that it requires open craniotomy to remove it, or in the opinion of a specialist Medical Practitioner, there is significant and permanent neurological damage such as visual field defects.

6. Blindness

That as a result of disease or accident and certified by an ophthalmologist:

- the visual acuity on the Snellen Scale after correction by suitable lenses is less than 6/60 in both eyes; or
- the field of vision is constricted to 20 degrees or less of arc around central fixation in the better eye irrespective of corrected visual activity (equivalent to 1/100 white test object); or



SCHEDULES

CRITICAL CONDITIONS CONTINUED

c. the combination of visual defects results in the same degree of vision impairment as that occurring in (a.) or (b.) above.

7. **Cardiomyopathy**

A condition of impaired ventricular function of variable aetiology resulting in permanent physical impairment to the degree of at least Class III (three) of the New York Heart Association classification of cardiac impairment. Cardiomyopathy that is directly related to alcohol or drug abuse is excluded.

The New York Heart Association classifications are:

Class I no limitation of physical activity, no symptoms with ordinary physical activity.

Class II slight limitation of physical activity, symptoms occur with ordinary physical activity.

Class III marked limitation of physical activity and comfortable at rest, symptoms occur with less than ordinary physical activity.

Class IV symptoms with any physical activity and may occur at rest, symptoms increased in severity with any physical activity.

8. **Chronic Liver Disease / Failure**

End stage liver failure, together with two of the following conditions:

- a. permanent jaundice; or
- b. ascites; or
- c. hepatic encephalopathy

Chronic Liver Disease / Failure directly related to alcohol or drug abuse is excluded.

9. **Chronic Lung Disease**

End stage respiratory failure requiring permanent oxygen therapy, with:

- a. FEV 1 test results consistently showing less than one (1) litre; or
- b. continuous oxygen therapy with PaO₂ 55mmHg; or
- c. as a result of Chronic Lung Disease the total and irreversible inability of the Insured Member to perform at least one (1) of the Activities of Daily Living without the assistance of another adult person as certified by an appropriate Medical Practitioner.

10. **(Significant) Cognitive Impairment**

A permanent deterioration or loss of intellectual capacity that requires the Insured Member to be under continual care and supervision by someone else for at least four (4) hours per day. Significant Cognitive Impairment which is directly or indirectly caused by alcohol or drug abuse is excluded.

11. **Coma**

A state of unconsciousness causing the incapability of sensing or responding to external stimuli or internal need, resulting in a documented Glasgow Coma Scale of 6 or less, for a continuous period of at least 72 hours. Coma as a result of alcohol or drug abuse is excluded.

12. **Coronary Artery Bypass Surgery**

13. **Critical Cancer**

The presence of one or more malignant tumours, characterised by the uncontrolled growth and spread of malignant cells and the invasion of tissue, provided the Diagnosis is unequivocal as confirmed by histopathology. This includes leukaemia, lymphomas, Hodgkin's disease, and malignant bone marrow disorders, but excludes the following tumors:

- a. malignant melanoma which are less than 1.5mm maximum thickness as determined by histological examination based on Breslow thickness unless the melanoma is graded higher than Clark Level 2 depth of invasion or has evidence of ulceration as determined by histological examination; or



SCHEDULES

CRITICAL CONDITIONS CONTINUED

- b. all other types of skin cancers unless there is evidence of metastases; or
- c. a growth histologically described as carcinoma-in-situ (including cervical dysplasia CIN-1, CIN-2 and CIN-3) or which are histologically described as pre-malignant or non-invasive unless they result in radical surgery. We will allow cover for carcinoma-in-situ of the breast where it results in the entire removal of the breast, or the Insured Member has other surgery and adjuvant therapy (such as radiotherapy and / or chemotherapy). This procedure must be the appropriate and necessary treatment as recommended by an appropriate Medical Practitioner and undertaken specifically to arrest the spread of malignancy. Chemotherapy means the use of drugs specifically designed to kill or destroy cancer cells. Adjuvant endocrine manipulation therapy, hormonal manipulation therapy and non-endocrine adjuvant therapy are excluded; or
- d. all tumours of the prostate histologically classified as having a Gleason score less than 6, or less than TMN classification T2. We will allow cover for prostate tumour classified as TNM classification T1 (all categories) or of an equivalent classification, if the tumour is confirmed by histological examination and requires the Insured Member to undertake major interventionist therapy including radiotherapy, brachytherapy, chemotherapy, biological response modifiers or any other major treatment, or if the tumour is completely untreatable.

14. Dementia

Permanent failure of brain function with significant cognitive impairment confirmed by a consultant neurologist. Dementia directly related to alcohol or drug abuse is excluded.

15. Encephalitis

The severe inflammatory disease of the brain resulting in neurological deficit causing:

- a. at least 25% permanent 2 Whole Person Function impairment; or
- b. a total and irreversible inability to perform at least one (1) of the Activities of Daily Living without the assistance of another adult person.

16. Heart Attack

The death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area. The Diagnosis must be confirmed by a cardiologist and evidenced by typical rise and / or fall of cardiac biomarker blood test (Troponin T, Troponin I or CK-MB) with at least one level above the 99th percentile of the upper reference limit, plus:

- a. acute cardiac symptoms and signs consistent with myocardial infarction; or
- b. new serial ECG changes with the development of any of the following: ST elevation or depression, T wave inversion, pathological Q waves or left bundle branch block (LBBB); or
- c. imaging evidence of new loss of viable myocardium or new regional wall motion abnormality.

If the above tests are inconclusive we will consider other appropriate and medically recognised tests.

The following are excluded:

- a. other acute coronary syndromes including but not limited to angina pectoris; or
- b. a rise in biological markers as a result of an elective percutaneous procedure for coronary artery disease.

17. Heart Valve Surgery

Surgery to replace or repair a cardiac valve or valves as a consequence of heart valve defects or abnormalities. This includes minimally invasive surgery, keyhole and all percutaneous valve replacement or repair procedures.

18. Intensive Care Treatment

An accident or illness resulting in the Insured Member requiring continuous mechanical ventilation by means of tracheal intubation for at least three (3) consecutive days (24 hours per day) or to be admitted to the intensive care ward of a registered medical hospital for at least five (5) consecutive days (24 hours per day) at the recommendation of an appropriate specialist.

19. Kidney Failure

End stage renal failure, which presents as chronic irreversible failure of both kidneys to function, as a result of which regular renal dialysis is initiated or renal transplantation carried out.



SCHEDULES

CRITICAL CONDITIONS CONTINUED

20. Loss of Independence

The Insured Member is constantly and permanently unable to perform at least two (2) of the numbered Activities of Daily Living without the physical assistance of someone else (if the Insured Member can perform the activity on their own by using special equipment, the Company will not treat the Insured Member as unable to perform that activity).

21. Loss of Use of Limbs / Sight of One Eye

The total and irrecoverable loss by disease or trauma of any of:

- a. the use of both hands; or
- b. the use of both feet; or
- c. the use of one hand and one foot; or
- d. the use of one hand and the sight of one eye (to the extent of 6/60 or less); or
- e. the use of one foot and the sight of one eye (to the extent of 6/60 or less).

22. Major Burns

Full thickness burns to at least:

- a. 20% of the body surface area as measured by The Rule of 9 of the Lund and Browder Body Surface Chart; or
- b. 25% of the face, requiring surgical debridement and / or grafting; or
- c. 50% of the total combined area of both hands, requiring surgical debridement and / or grafting.

23. Major Head Trauma

An injury to the head causing either:

- a. the Insured Member to suffer at least 25% impairment of Whole Person Function that is permanent; or
- b. the Insured Member to be constantly and permanently unable to perform at least one (1) of the Activities of Daily Living without the physical assistance of someone else (if the Insured Member can perform the activity on their own by using special equipment, the Company will not treat the Insured Member as unable to perform that activity).

Major Head Trauma as a result of alcohol, drug or substance abuse is excluded.

24. Major Organ Transplant

The Insured Member undergoes, or has been placed on a New Zealand waiting list approved by us for, an organ transplant from a human donor to the Insured Member for one or more of the following organs:

- a. kidney
- b. heart
- c. lung
- d. liver
- e. pancreas
- f. small bowel; or
- g. the transplant of bone marrow.

The transplantation of all other organs or parts of any organ or of any other tissue is excluded.

25. Meningitis / Meningococcal Disease

The unequivocal Diagnosis of Meningitis and / or Meningococcal Disease including meningococcal septicaemia causing either:

- a. a 25% impairment of Whole Person Function that is permanent; or
- b. the total and irreversible inability to perform at least one (1) of the Activities of Daily Living without the assistance of another adult person



SCHEDULES

CRITICAL CONDITIONS CONTINUED

26. Motor Neurone Disease

The unequivocal Diagnosis of a progressive form of debilitating Motor Neurone Disease, as confirmed by a Medical Practitioner who is a consultant neurologist.

27. Multiple Sclerosis

A disease characterised by demyelination in the brain and spinal cord. Multiple Sclerosis must be unequivocally Diagnosed by a consultant neurologist. There must be more than one episode of well-defined neurological deficit with persisting neurological abnormalities causing:

- a. at least 25% permanent Whole Person Function impairment; or
- b. a total and irreversible inability to perform at least one (1) of the Activities of Daily Living without the assistance of another adult person; or
- c. being assigned a 7.5 or higher score on the Expanded Disability Status Scale (EDSS) by a consultant neurologist.

Neurological investigations such as lumbar puncture, MRI (Magnetic Resonance Imaging) evidence of lesions in the central nervous system, evoked visual responses, or evoked auditory responses which are required to confirm the Diagnosis.

28. Muscular Dystrophy

The unequivocal Diagnosis of Muscular Dystrophy, where the condition causes either:

- a. at least 25% impairment of Whole Person Function that is permanent; or
- b. constant and permanent inability to perform at least one (1) of the Activities of Daily Living without the physical assistance of someone else. The ability to perform the activity by using special equipment will be regarded as being able to perform that activity.

29. Open Heart Surgery

The undergoing of Open Heart Surgery for treatment of a cardiac defect, cardiac aneurysm or benign cardiac tumour. Repair via catheter surgery, minimally invasive, keyhole, or similar techniques are specifically excluded.

30. Out of Hospital Cardiac Arrest

Cardiac arrest that is not associated with any medical procedure and is documented by an electrocardiogram and occurs out of hospital and is due to cardiac asystole, or ventricular fibrillation with or without ventricular tachycardia.

31. Paralysis

The permanent and total loss of function as a result of injury to or disease of the spinal cord or brain as defined below:

- a. Quadriplegia - loss of function of both arms and legs
 - b. Paraplegia - loss of function of both legs
 - c. Diplegia - loss of function of both sides of the body
 - d. Hemiplegia - loss of function of one side of the body
- Paralysis as a result of alcohol, drug or substance abuse is excluded.

32. Parkinson's Disease

The unequivocal Diagnosis, confirmed by consultant neurologist, of idiopathic Parkinson's Disease as characterised by the clinical manifestation of one or more of the following:

- a. rigidity; or
- b. tremors; or
- c. akinesia

resulting in the degeneration of the nigrostriatal system causing either:

- a. at least 25% permanent Whole Person Function impairment; or
- b. a total and irreversible inability to perform at least one (1) of the Activities of Daily Living without the assistance of another adult person.



SCHEDULES

CRITICAL CONDITIONS CONTINUED

33. Peripheral Neuropathy

The irreversible inflammation or degradation of a peripheral nerve, Diagnosed by an appropriate specialist approved by the Company. The Insured Member must have also sustained a neurological deficit causing at least 25% permanent impairment of Whole Person Function, or inability to perform at least one (1) of the Activities of Daily Living. Peripheral Neuropathy as a result of alcohol, drug or substance abuse is excluded.

34. Permanent Loss of Hearing

The complete and irrecoverable loss of hearing, both natural and assisted, from both ears as a result of injury or illness, as certified by an appropriate medical specialist.

35. Permanent Loss of Speech

The total loss of speech both natural and assisted as a result of injury or illness for a continuous period of at least three months and the subsequent Diagnosis that loss of speech both natural and assisted will be total and permanent.

36. Pneumonectomy

The undergoing of surgery to remove an entire lung. The treatment must be considered medically necessary by a specialist Medical Practitioner.

37. Pulmonary Arterial Hypertension (Primary)

Primary idiopathic pulmonary hypertension associated with right ventricular enlargement established by cardiac catheterisation, resulting in significant irreversible physical impairment of at least Class III (three) of the New York Heart Association classification of cardiac impairment.

Pulmonary hypertension in association with Chronic Lung Disease is specifically excluded. Other forms of hypertension (involving increased blood pressure) are specifically excluded.

38. Stroke (resulting in functional loss)

The suffering of a stroke as a result of a cerebrovascular event. There must be clear evidence on a CT (Computed Tomography), MRI, or similar appropriate scan that a stroke has occurred and of either:

- a. infarction of brain tissue; or
- b. intracranial or subarachnoid haemorrhage.

The following are excluded:

- a. cerebral symptoms due to transient ischaemic attacks;
- b. migraine;
- c. cerebral injury resulting from trauma or hypoxia; and
- d. vascular disease affecting the eye, optic nerve or vestibular functions.

39. Surgery to Aorta

Surgery to correct any narrowing, dissection, or aneurysm of the thoracic or abdominal aorta.



SCHEDULES

CRITICAL CONDITIONS CONTINUED

¹Activities of Daily Living are defined as:

Type of Activity	Description	
1	Washing	The ability to wash in the bath or shower (including getting into or out of the bath or shower) or wash satisfactorily by other means
2	Dressing	The ability to put on, take off, secure and unfasten all garments and, as appropriate, any braces, artificial limbs or other surgical appliances.
3	Feeding	The ability to feed oneself once food has been prepared and made available.
4	Toileting	The ability to use the lavatory or otherwise manage bowel and bladder function so as to maintain a satisfactory level of personal hygiene.
5	Mobility	The ability to move from place to place by walking, wheel chair or with assistance of a walking aid.

² **Whole Person Function** is defined as per the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 6th edition, or an equivalent guide to impairment approved by AIA.

Exclusions

This Critical Illness Policy does not cover any loss, caused wholly or partly, directly or indirectly or resulting from:

- a) Tier 2 Cover for Belligerent Operations (Armed Combat and major War fighting); or
- b) In regards to Tier 3 Insured Members (Partner/Spouse), any warlike activities (whether war is declared or not) or service in the armed forces of any country or organisation; or
- c) the Insured Member deliberately taking or using non-prescribed drugs, other than for proper therapeutic or medical purposes and in accordance with the manufacturer's directions for use, or the deliberate misuse by the Insured Member of prescribed drugs; or
- d) any intentional, self-inflicted injury or illness, or any attempt at suicide or self-destruction unless due to an underlying Diagnosed mental illness as solely determined by the Company; or
- e) violation or attempted violation of the law or resistance to lawful arrest.



CONTINUATION OPTION

YOUR TIER 1 INSURANCE WILL CEASE WHEN YOU LEAVE!

How do I keep my Tier 1 Insurance?

You can Transfer your Tier 1 benefits to Tier 2

When you leave NZDF, your Tier 1 MIBP Insurance provided by NZDF will cease. Your family may therefore be financially disadvantaged in the event of your untimely death or disablement.

A Continuation Option is a simple process to transfer the Insurance Benefits from the Tier 1 Policy to Tier 2. This can be taken care of by completing a simple form and no health assessment is required, providing you apply within 60 days of leaving NZDF.

Existing Tier 2 & 3 cover can continue as long as you continue to pay the monthly premium by direct debit.

Who is eligible?

A Life Continuation Option is available to members leaving NZDF before the age of 80. Income Protection is available if you leave NZDF prior to the age of 70 and you are going in to new employment.

What will it cost?

Tier 2 rates are dependent on your age and gender. Please contact Aon for an individual quote.

Cover for pre-existing health conditions?

All pre-existing conditions covered under Tier 1 will be transferred to Tier 2.

Why is this offer so valuable?

The following serves as an “example” of some of the questions that would “usually” be asked of a person applying for Insurance. If you apply to continue this insurance, the following questions will not apply!!

- Height / Weight
- Breathing disorders such as Asthma
- Any history of cancer
- Any history of high blood pressure
- Any history of heart disease
- High cholesterol
- Diabetes
- Any history of Stress, Fatigue or Depression
- Family history of any of these conditions mentioned.

How and when do I need to apply?

The Continuation Option Application is a short form application, with no reference to health questions. You must apply within 60 days of ceasing employment. Please contact Aon on **0800 642 748** or nz.nzdf.enquiries@aon.com.

What happens if I miss the 60 day window of opportunity?

Your cover will cease when you leave employment. We must receive your Continuation Option application within 60 days of your final day of employment, to ensure that a policy can be issued. Any policy issued after 60 days will be subject to evidence of good health.



ACT NOW!

- Cover for existing health conditions applies in most cases
- Short form application
- No health questions

Please contact **AON**

...as soon as possible to arrange for the transfer of cover.

Email: nz.nzdf.enquiries@aon.com

Tel: 0800 642 748

AON

Aon New Zealand

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