

# Corporate Solutions

## Life Insurance Policy

Compulsory membership

**Policy No: GL AIA 0617**

### Definitions

**1. Accident**

Means bodily injury to the Insured Member caused by visible, violent and external means in relation to the Insured Member.

**2. Actively Employed or Engaged**

Means the Eligible Member is not prevented by Accident or Illness from performing all of their normal employment/duties. Active Employment or Engagement will have a corresponding meaning.

**3. Amount Insured**

Means, the amount of insurance cover provided to an Insured Member in terms of this Policy and as set out in the Policy Schedule.

**4. Automatic Acceptance Limit or AAL**

Means the amount stated in the Policy Schedule.

**5. Cessation Age**

Means the age at which benefits will cease to be payable and / or cover will cease under this Policy, as detailed in the Policy Schedule.

**6. Company**

Means AIA International Limited trading as AIA New Zealand. We or us or AIA New Zealand shall also mean the Company.

**7. Continuation Option**

Means the option that a former Insured Member may exercise to continue the provision of insurance cover under a separate policy in accordance with General Condition 27 or 28 of this Policy.

**8. Date of Disablement**

Means the later of the date of an Accident giving rise to a claim under this Policy or the last day the Insured Member is Actively Employed or Engaged with the New Zealand Defence Force.

**9. day**

Includes a weekend or public holiday in New Zealand.

**10. Death Benefit**

Means the amount payable in the event of the death or Terminal Illness of an Insured Member as determined in accordance with the terms of this Policy including the Death Benefit Formula set out in the Policy Schedule.

**11. Eligibility Criteria**

Has the meaning stated in the Policy Schedule.

**12. Eligible Member**

Means a member of the New Zealand Defence Force (Regular Forces, Territorial Forces, and Civil Staff) or a member of the Cadet Forces (as such terms are defined in the Defence Act 1990 or any replacement legislation), including Insured Members on secondment to the United Nations, other New Zealand Government Departments and external companies and contractors working with the New Zealand Defence Force overseas.

**13. Evidence of Insurability**

Means such evidence of health and such other particulars of an Insured Member as the Company may require at the time they first become an Insured Member, and at any subsequent time when that Insured Member's Amount Insured is increased or reinstated, and which is supplied or caused to be supplied in respect of that Insured Member by the Policy Owner to enable the Company to determine whether an Insured Member is to be accepted for any insurance and the terms of such acceptance.

**14. Illness**

Means any sickness, disease or disorder contracted by the Insured Member.

**15. Increased Premium Deployments**

Means armed combat operations and major warfighting for the New Zealand Defence Force which may be subject to the payment of increased premiums and excludes other operational services such as United Nations observer duties, exchange posts, military aid programmes, aid to civil authorities, humanitarian aid, disaster relief, restoration or reconstruction of infrastructure, non-combat evacuation, international engagement, defence diplomacy, conflict prevention, peacebuilding, peace-making, peacekeeping and peace enforcement.

The Policy Owner must provide a declaration to the Company every three (3) months disclosing the number of Insured Members who are involved in Increased Premium Deployments and their location at that date (to the extent such information is able to be provided to the Company).

**16. Injury**

Means Accidental bodily injury to an Insured Member caused solely and directly by violent external and visible means, occurring whilst the Insured Member is covered under this Policy and resulting directly and independently of all other causes.

**17. Insured Member(s)**

Means an Eligible Member who has fulfilled the Eligibility Criteria and who continues to satisfy the conditions of membership set out in this Policy and for whom the Company has accepted cover, the premium has been paid in respect of (or agreed to be paid) and whose cover has not been terminated.

**18. Interim Accidental Death Cover**

Means the amount of Death Benefit requested up to a maximum of the Automatic Acceptance Limit.

**19. Limited Cover**

Means the Eligible Member is only covered for death, Terminal Illness, Total and Permanent Disability (if applicable) or Physical Loss arising from:

- a) an Illness (including symptoms of an Illness) that first becomes apparent; or
- b) an Accident that first occurs,

on or after the date cover commenced for the Insured Member under this Policy. For the sake of clarity, the Company will not pay any claim under Limited Cover resulting from any Illness which existed prior to the date cover commenced for the Insured Member, unless the Company is satisfied that the Insured Member could not have known of the existence of the Illness at that date.

**20. Medical Practitioner**

Means a person approved by the Company, registered with the Medical Council of New Zealand to render medical or surgical services, and who holds an Annual Practising Certificate. For diagnoses made outside New Zealand, the definition of Medical Practitioner shall mean any appropriately qualified Medical Practitioner approved by the Company. It does not include the Insured Member, or the Insured Member's spouse, de facto spouse, civil union partner (as defined in the Civil Union Act 2004) or immediate family member or business partner.

**21. Non-civilian Employment**

Means employment outside of New Zealand with an employer or organisation other than the New Zealand Defence Force in a security, combat or para-military role.

**22. On Duty**

Means, in respect of an Insured Member of the Territorial Forces, that the Insured Member is carrying out authorised duties at the request of the New Zealand Defence Force, or, for an Insured Member of the Cadet Forces, that the Insured Member is carrying out authorised duties at the request of the Cadet Forces.

Confirmation of the period On Duty of an Insured Member is required in the event of a claim under this Policy.

**23. Physical Loss**

Means one of the Physical Losses detailed in Schedule 1.

**24. Physical Loss Benefit**

Means the amount(s) stated in the Policy Schedule, subject to Schedule 1.

**25. Plan Year**

Means, unless otherwise agreed between the Policy Owner and the Company, the successive period of twelve (12) months commencing on the Policy Commencement Date, during which the Policy is in force.

**26. Policy**

Means this Policy, the Policy Schedule and any riders or endorsements thereto signed by the Company and notified to the Policy Owner.

**27. Policy Commencement Date**

Means the date shown as such in the Policy Schedule.

**28. Policy Owner**

Means the entity stated as such in the Policy Schedule or its legal successors in title.

**29. Policy Schedule**

Means the schedule(s) issued with this Policy and updated from time to time.

**30. Renewal Date**

Means the yearly date shown as such in the Policy Schedule.

**31. Special Event(s):**

Means:

- a) a marriage or civil union of the Insured Member: A copy of the marriage certificate or copy of particulars of civil union must be provided to the Company confirming the date of marriage or civil union; or
- b) the divorce or legal separation of the Insured Member: A copy of the dissolution order or separation order must be provided to the Company confirming the date of the divorce or legal separation; or
- c) the birth of a child of the Insured Member: A copy of the birth certificate showing the relationship to the Insured Member must be provided to the Company; or
- d) adoption by the Insured Member: A copy of the adoption papers showing the relationship to the Insured Member must be provided to the Company; or
- e) an annual salary increase for the Insured Member: Evidence of the increase in wage or salary of the Insured Member must be provided in a form that is acceptable to the Company; or
- f) taking full-time care of a dependant of the Insured Member: The Insured Member becoming responsible for the full-time care of a relative who is the spouse or partner, mother, father, brother, sister, son, daughter, grandfather or grandmother of the Insured Member. Evidence must be provided that is acceptable to the Company; or

- g) the tertiary education of a child of the Insured Member: The commencement of a first course of full-time tertiary education by a child of the Insured Member. The course must commence within three (3) years of the child leaving secondary education, and must be of at least twelve (12) months duration. The course must directly lead to a qualification that is approved by the New Zealand Ministry of Education, and must take place at a tertiary education institution approved by the New Zealand Ministry of Education within New Zealand. Supporting evidence must be provided that is acceptable to the Company; or
- h) a mortgage: The taking out or increasing of a mortgage for the purchase of, or making extensions to, a residential property or residential investment property to be owned by the Insured Member, or child of the Insured Member where the Insured Member is acting as a guarantor for the mortgage. A copy of the appropriate mortgage documentation must be provided to the Company; or
- i) the child of the Insured Member starting secondary school education: The commencement of secondary school for the first time by a child of the Insured Member. A copy of the enrolment form must be provided to the Company; or
- j) the death of a spouse or partner: The death of spouse or partner of the Insured Member, as defined in the Property (Relationships) Act 1976. A copy of the death certificate for the spouse or partner must be provided to the Company.

### **32. Terminal Illness**

Means the Insured Member has been diagnosed by a Medical Practitioner, as having an Illness which is likely to result in the death of the Insured Member within twelve (12) months of diagnosis. The Company will have the right to call for an examination of either the Insured Member or the evidence used in arriving at such diagnosis by an independent acknowledged expert in the field of medicine concerned, selected by the Company and at the Company's expense. The opinion of such expert as to the diagnosis shall be binding on the Policy Owner, the Insured Member and the Company.

### **33. Terminal Illness Advance Benefit Conditions**

Means:

- a) Motor Neuron Disease; or
- b) Advanced Huntington's Disease; or
- c) Stage 3 or Stage 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.

Advanced Huntington's Disease means a definite diagnosis of Advanced Huntington's Disease by an appropriate specialist Medical Practitioner 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 nor 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:

- i. Heart; or
- ii. Both lungs; or
- iii. Liver; or
- iv. Both kidneys.

The Company 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.

The Company will give ninety (90) days' prior general notice before any change takes effect. Any such change will not apply to any claims already submitted to the Company.

#### **34. Territorial Forces On Duty Outside New Zealand**

Means, in respect of a member of the Territorial Forces, that they are On Duty outside New Zealand at the request of the New Zealand Defence Force and includes:

- a) the period of time that the Insured Member spends travelling to the place where New Zealand Defence Force duties are performed; and
- b) the full twenty-four (24) hour period of the day and / or night that the Insured Member is engaged in New Zealand Defence Force duties.

Confirmation of the period an Insured Member is On Duty outside of New Zealand is required in the event of a claim under this Policy.

#### **35. Total and Permanent Disablement**

Means the Insured Member is deemed to be totally and permanently disabled if, in the opinion of the Company, they have:

- a) suffered the loss of two limbs or the sight of both eyes or the loss of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot, and loss is defined as loss by permanent severance or irrecoverable use); or
- b) suffered a disability solely through injury which has prevented the Insured Member from engaging in their normal occupation for a continuous period of three (3) months and which in the opinion of the Company, after the Insured Member having undergone all reasonable treatment, and after consideration of all medical evidence, has rendered them incapable of ever again attending to their Usual Occupation or to any occupation for which they are fitted by education, training or experience.

#### **36. Total and Permanent Disablement Benefit**

Means the amount payable in the event of the Total and Permanent Disablement of an Insured Member in terms of this Policy and in accordance with the Policy Schedule.

#### **37. Unpaid Leave**

Means any leave without pay of up to twenty-four (24) months, approved by the New Zealand Defence Force.

#### **38. Usual Occupation**

Means the occupation of the Insured Member immediately prior to the Date of Disablement.

## **General Conditions**

### **1. Eligibility for Automatic Cover**

- a) At the Policy Commencement Date and at each subsequent Renewal Date, the Policy Owner shall nominate to the Company in the form prescribed by the Company those Eligible Members who are proposed for insurance under the Policy.
- b) An Eligible Member will become an Insured Member from the date of entry for an Amount Insured not exceeding the Automatic Acceptance Limit provided the person complies with the terms on which the Company offers Automatic Acceptance.
- c) Automatic Acceptance  
Unless otherwise stated, Automatic Acceptance is subject to the following conditions:
  - i. suitable eligibility conditions for membership of the group to be insured are clearly specified; and
  - ii. 100% of persons eligible to join the group to be insured are covered under this Policy; and
  - iii. the Amount Insured for each Eligible Member is established using a consistent and acceptable basis; and
  - iv. any other terms specified by the Company; and
  - v. the Company reserves the right to change the automatic acceptance conditions or limits at any time.

- d) Any proposed Amount Insured which either exceeds the Automatic Acceptance Limit or is in respect of a person who does not comply with the terms upon which automatic cover is offered, is subject to consideration by the Company of such Evidence of Insurability as may be requested. Any such cover will commence upon the Company's acceptance of the risk.
- e) The Company shall notify the Policy Owner of the terms (if any) on which it will grant cover to an Eligible Member.
- f) Not later than one (1) month after the first day of each Plan Year, the Policy Owner shall supply the Company with a schedule stating the category of membership, date of birth and any additional information relating to each Eligible Member as the Company may require for the purposes of this Policy.

## **2. Risk Commencement**

Any proposed Amount Insured in respect of an Insured Member shall be subject to the Maximum Benefit amount, as set out in the Policy Schedule and to such Evidence of Insurability as the Company may require. Such cover will commence upon the Company's acceptance of the risk following receipt of the required Evidence of Insurability.

## **3. Limited Cover**

From the Policy Commencement Date, a new Eligible Member who does not meet the Eligibility Criteria due to not being Actively Employed or Engaged on the date that cover commences for that person under this Policy, will receive Limited Cover from that date until thirty (30) days have elapsed at which time full cover commences.

## **4. Premium – When Payable**

Premiums are payable by the Policy Owner to the Company with the first premium due within thirty (30) days of the Policy Commencement Date and thereafter as set out in the Policy Schedule. If the premiums are not paid within thirty (30) days from the date they fall due (Days of Grace), the Company will give the Policy Owner notice of intention to lapse the Policy and all cover will cease from the premium due date.

## **5. Premium – How Calculated**

- a) At any time the premium due in respect of a particular Insured Member shall be that Insured Member's current Amount Insured, multiplied by the premium rates applicable to the Insured Member's age, gender and Eligibility Criteria Category as per the Policy Schedule, multiplied by any additional premium loadings (if any) that have been applied to the Insured Member, or as may otherwise be agreed.
- b) The premium due in respect of the Policy for any Plan Year shall be the sum of the premiums calculated in paragraph (a) of this Condition in respect of every Insured Member, subject to the Minimum Annual Premium set out in the Policy Schedule.

The Company may at its sole discretion and at any time, charge an additional premium in respect of Insured Members who are involved in Increased Premium Deployments or who are, in the reasonable opinion of the Policy Owner, deployed or assigned to locations in which Increased Premium Deployments are occurring or are likely to occur. The Policy Owner must provide a declaration to the Company every three (3) months disclosing the number of Insured Members who meet these criteria and their location at that date (to the extent such information is able to be provided to the Company). Upon receipt of such declaration, the Company will advise the Policy Owner of the additional premium in respect of such Insured Members, which will be payable quarterly from the date of the declaration and calculated from the period of commencement of the Insured Member's Increased Premium Deployment or assignment to locations in which Increased Premium Deployments are occurring or likely to occur. The increased premium in respect of such Insured Members will reduce on the cessation of their involvement in Increased Premium Deployments or their exit from the location where Increased Premium Deployments are occurring or likely to occur.

A failure to notify the Company shall not invalidate cover for an Insured Member, provided the relevant premium is paid to the Company.

## **6. Premium – Misstatement of Age**

If the date of birth of an Insured Member has been incorrectly recorded, then the Company will adjust the cover and / or the premium for that Insured Member based on the correct age.

## 7. Premium Adjustments

At each Renewal Date, premium adjustments will be calculated in respect of exiting members, new entrants and changes in Insured Member details such as salary and age during any Plan Year, as follows:

### Bulk Adjustment Formula:

A =	$0.5 \times P \times (S2 - S1) / S1$ where:
A	is the premium adjustment payable to, or receivable from the Company in respect of the relevant Plan Year; and
P	is the aggregate insurance premiums of all lives insured as at the Policy Commencement Date, or as at the Renewal Date at the commencement of the relevant Plan Year, as the case may be; and
S1	is the aggregate sum insured of all lives insured as at the Policy Commencement Date, or as at the Renewal Date at the commencement of the relevant Plan Year, as the case may be; and
S2	is the aggregate sum insured of all lives insured as at the Renewal Date at the end of the relevant Plan Year, or as at the termination date, as the case may be.

## 8. Days of Grace

Thirty (30) Days of Grace shall be allowed for the payment of each premium and if a claim arises within that period, no Amount Insured shall become due hereunder in respect of such claim until the premium is paid.

## 9. Lapse and Reinstatement

This Policy shall cease to be in force if any premium is not paid within the Days of Grace. If the Policy ceases to be in force, it may be reinstated with the Company's consent upon the payment of the overdue premium for the period during which the premium is overdue, together with such Evidence of Insurability as the Company may require.

## 10. Annual Renewal

Within thirty (30) days (or as otherwise agreed by the Company) of the Renewal Date of each Plan Year, the Policy Owner must furnish the Company with details of all Insured Members of the Policy. Such information shall include the gender and date of birth of each Insured Member and their Amount Insured.

## 11. Rates Guarantee

Where applicable, the Company shall guarantee the individual age premium rates and unit rates until the Rate Guarantee Period End Date set out in the Policy Schedule provided that:

- a) the membership number of the Policy does not fluctuate by more than 20% of insured lives and does not fall below the Minimum Number of Insured Lives as specified in the Policy Schedule; or
- b) the Benefit Formula for cover as specified in the Policy Schedule does not change; or
- c) claims across all insurance policies held by the Company for members of the New Zealand Defence Force do not experience an unexpected and unsustainable increase; or
- d) there is no new or increased public health threat, such as a pandemic; or
- e) the reinsurer or any reinsurance arrangement does not change or the reinsurer does not withdraw its support for this Policy.

The Company will provide ninety (90) days' notice of any change in premium rates.

## 12. Interim Accidental Death Cover

For those persons nominated for cover but subject to underwriting terms, the Company will offer Interim Accidental Death Cover during the underwriting process. Interim Accidental Death Cover starts on the date the Company receives notification of the request for cover and terminates on the earliest to occur of the following:

- a) the date that the cover is accepted by the Company; or
- b) the date that cover is declined by the Company; or
- c) the date that the request for cover is withdrawn; or
- d) the date that the person no longer meets the Eligibility Criteria; or
- e) the date Interim Accidental Death Cover is cancelled by the Company; or
- f) upon the expiry of ninety (90) days from the date that the Company received notification of the request for cover; or
- g) the date this Policy is terminated.

Interim Accidental Death Cover will only be payable if the person's death occurs within ninety (90) days of an Accident and death is a direct and sole result of the Accident.

### **13. Bereavement Support**

At the request of the Policy Owner, on receiving written notification of the death of an Insured Member, the Company has the discretion to pay an early payment of the Death Benefit of up to NZD15,000 to the Policy Owner. Any amount so paid will be deemed to be an early partial payment of the Death Benefit in respect of the Insured Member. No payment will be made if there is no entitlement to a Death Benefit under this Policy.

### **14. Physical Loss Benefit**

When an Insured Member suffers an Accident resulting in any of the Physical Losses (as listed in Schedule 1 of this Policy), the Company must be notified of such Physical Loss within one hundred (100) days of the date of such Accident. Subject to such notification, the Company will pay a Physical Loss Benefit, subject to the following:

- a) where more than one Physical Loss results from the Accident, the Insured Member will receive only one Physical Loss Benefit, being the greater amount of the Physical Losses; and
- b) in no event shall the Physical Loss Benefit exceed the Death Benefit; and
- c) a Physical Loss Benefit shall not be payable if a Death Benefit or where applicable, a Total and Permanent Disablement Benefit, is payable in respect of the Insured Member as a result of the same Accident.

The payment of a Physical Loss Benefit in respect of an Insured Member shall not in itself result in the termination of membership of that Insured Member, or result in any reduction in other benefits under this Policy in respect of that Insured Member, except for the reduction in the maximum Physical Loss Benefit payable if an Insured Member were to suffer a further Physical Loss in respect of a different Accident.

### **15. Terminal Illness Benefit**

Should an Insured Member have a Terminal Illness, the Death Benefit may be paid, thereby terminating the membership of that Insured Member

### **16. Terminal Illness Advance Benefit**

The Company will pay an Insured Member a Terminal Illness Advance Benefit if they are diagnosed with a Terminal Illness Advance Benefit Condition. The amount of Terminal Illness Advanced Benefit payable is thirty percent (30%) of the Death Benefit (as reduced by any other accelerated covers paid in relation to the Insured Member) reduced by any outstanding total premiums due but not paid at the date of claim to a maximum benefit of NZD250,000. If the Company pays a Terminal Illness Advance Benefit claim to an Insured Member, the Company will reduce the Death Benefit provided for that Insured Member, by any payment made under the Terminal Illness Advance Benefit.

### **17. Exclusions for Physical Loss**

The Company will not pay a Physical Loss Benefit in the following circumstances:

- a) the Insured Member's Physical Loss occurred, or was a result of an Accident which occurred before the Insured Member's cover commenced under this Policy; or
- b) the Insured Member's Physical Loss occurred while the Insured Member participated in a criminal act, as prescribed within the Crimes Act 1961; or
- c) either directly or indirectly, the Insured Member's Physical Loss was a result of the Insured Member deliberately injuring themselves, or attempting to do so, unless due to an underlying diagnosed mental illness as solely determined by the Company; or
- d) the Insured Member's Physical Loss was a result of 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.

### **18. Special Events Increase**

An Insured Member may at any time prior to reaching age seventy-nine (79) increase the Amount Insured for the Death Benefit under this Policy on the occurrence of any of the Special Events without further evidence of health. Requests for increases must be made within twelve (12) months of a Special Event. The Insured Member can make more than one (1) Special Events increase during each Plan Year and may increase the Amount Insured more than once in respect of each Special Event during the term of the Policy. Evidence will need to be provided as specified below, together with any further evidence that the Company may request. A Special Events increase is not available if the Insured Member has made a claim or is eligible to claim under any Income Protection Cover, Total and Permanent Disability Cover, Trauma Cover and/or Life Cover Policy with the Company. For the sake of clarity this includes any claim currently under assessment.



Except as otherwise noted below, the increase in respect of each Special Event is NZD50,000. The minimum increase in respect of each Special Event is ten percent (10%) of the original Amount Insured. The increased cover for Special Events will be insured under policy GL AIA 0717 (Tier 2) subject to that policy's terms and the Insured Member will be responsible for payment of the associated premium for the increased cover, which will be based on the age of the Insured Member and the Company's premium rates under policy AIA GL 0717 (Tier 2), at the time the option is exercised.

In the event of the increase being for an annual salary increase, the amount of increase will be restricted to the lesser of:

1. NZD50,000; or
2. five (5) times the increase in wage or salary on an annualised basis.

In the event of the increase being for a mortgage, the amount of increase will be restricted to the lesser of:

1. NZD150,000; or
2. the mortgage amount or increase in mortgage amount.

The total increase in the Amount Insured in respect of the aggregate of all Special Events is limited to NZD250,000 across all policies for each Insured Member.

#### **19. Claims**

The Policy Owner shall give notice to the Company of the death, Terminal Illness, Total and Permanent Disablement or Physical Loss of any Insured Member which gives rise to a claim under this Policy as soon as possible after the event giving cause to the claim. Upon receipt of notice of claim, the Company will furnish to the Policy Owner such claim forms and other requirements as are usually required by the Company for the assessment of claim.

#### **20. Claims Discharge**

Every benefit payable hereunder shall be paid to the Policy Owner or to such person or persons as the Policy Owner may direct by notice in writing to the Company. The receipt by the Policy Owner or nominated party shall be an absolute discharge to the Company and shall be final and conclusive evidence for all purposes that the money therein expressed to have been received has been duly paid to and received by the person lawfully entitled thereto and all claims and demands whatsoever against the Company in respect of such money have been fully and truly satisfied and discharged.

#### **21. Unpaid Leave**

If an Insured Member commences Unpaid Leave, they may continue to be covered under this Policy with the prior approval of the Company provided premiums in respect of that Insured Member are paid in advance (or in conjunction with the regular payments under the Policy, as agreed by the Company). The Company may provide cover for up to twenty-four (24) months.

Where an Insured Member on Unpaid Leave undertakes Non-civilian Employment, the Policy Owner will provide the Company with the details of this employment, including occupation and location. Where Non-civilian Employment is located in a zone listed as "Reconsider your need to travel" or "Do not travel" (or any equivalent classification) on the Australian Government website: <http://www.smarttraveller.gov.au/zw-cgi/view/Advice>, (or any replacement Australian Government site which provides travel safety information) the Company will in its sole discretion, determine whether the Insured Member's cover under this Policy will be continued during the period of Unpaid Leave. If cover continues, the Company reserves the right to vary the standard premium rates, in respect of that Insured Member.

#### **22. Worldwide Cover**

The cover provided is a 24-hour worldwide cover.

If the Company agrees in writing, it will cover under this Policy a permanent resident of New Zealand or a person with a New Zealand Work Visa, while they are Actively Employed or Engaged in service with the New Zealand Defence Force while outside of New Zealand. However, no Continuation Option will be available for a person living outside New Zealand after their membership is terminated, regardless of whether they are a permanent resident of New Zealand or not.

#### **23. Termination of Policy**

This Policy will terminate in the following circumstances:

- a) if the number of Insured Members under this Policy falls below the Minimum Number of Insured Lives as specified in the Policy Schedule, subject to the Company giving ninety (90) days' notice in writing; or
- b) if premiums for the Policy Owner are in arrears subject to General Condition 4; or

- c) if at the expiration of any Rate Guarantee Period provided in the Policy Schedule, the Company gives the Policy Owner ninety (90) days' notice in writing that it intends to cease to participate in the Policy; or
- d) if the Policy Owner gives the Company ninety (90) days' notice in writing that it intends to cease to participate in the Policy.

#### **24. Effects of Termination**

With effect from the date of termination, no further premiums will be payable by the Policy Owner, except those that became due for the period up to and including the date of termination. All benefits of Insured Members will become nil, and no further payments will be paid except any payments which became due prior to the date of termination or which will become due in respect of claims admitted or admissible in terms of this Policy prior to the date of termination.

#### **25. Refund of Overpaid Premiums**

If this Policy is terminated, the Company will refund to the Policy Owner a proportion of any premiums paid for the Plan Year period after the date the Policy terminated. Any refund under this condition will be calculated based on the membership data as at the date of termination and may include a premium adjustment for any membership changes that occurred between the previous Renewal Date and the termination date.

#### **26. Termination of Membership**

The cover of an Insured Member under this Policy shall terminate at 11:59pm New Zealand standard time on the earliest of:

- a) the date the Insured Member is no longer Actively Employed or Engaged with the New Zealand Defence Force, subject to any extended cover provision provided under General Condition 29; or
- b) the Insured Member attaining the Cessation Age; or
- c) the date the Insured Member leaves the service of the New Zealand Defence Force, subject to any extended cover provision provided under General Condition 29; or
- d) the date the Company or the Policy Owner terminates the cover under the Policy; or
- e) the date the Insured Member dies; or
- f) the date a Total and Permanent Disablement Benefit is paid (where applicable); or
- g) the date a Terminal Illness Benefit is paid in accordance with General Condition 15; or
- h) where the Insured Member is on Unpaid Leave for longer than the period of time that the Company has agreed to provide cover under General Condition 21, except where the reason why the Insured Member has not returned to work is because they have made a claim under this Policy, or are eligible to do so. A person whose membership is terminated under this provision, may, if they resume Active Employment or Engagement with the New Zealand Defence Force, resume membership on the terms advised by the Company at the time of the Insured Member's resumption. If that member had exercised a Continuation Option prior to resumption of cover and the Continuation Option was accepted under policy GL AIA 0717 (Tier 2), then upon resumption of cover under this Policy, their cover under policy GL AIA 0717 (Tier 2) may be reduced or terminated as advised by the Company.

#### **27. Continuation Option for Category A and B Insured Members**

If a Category A or a Category B Insured Member, under the age of eighty (80) years, ceases to be an Insured Member, other than as a result of death or the Policy terminating, that Insured Member shall be entitled to transfer their benefits to policy GL AIA 0717 (Tier 2) without being required to produce any Evidence of Insurability, subject to the following conditions:

- a) the amount insured under the Tier 2 policy will not exceed the amount of benefits payable in respect of the Insured Member under this Policy; and
- b) the Insured Member is not in receipt of or entitled to receive benefits (other than Physical Loss Benefits) under this Policy; and
- c) the Tier 2 policy will be subject to the standard Tier 2 policy conditions and provisions, including but not limited to residency status, location, occupational and minimum premium requirements; and
- d) the premium payable will be calculated at the rate charged by the Company on Tier 2 policies, taking into account the Insured Member's age, occupation and gender; and
- e) the Tier 2 policy will be subject to any extra premium or exclusion clause(s) imposed in respect of the Insured Member under this Policy; and
- f) there are no outstanding or overdue premiums in respect of the Insured Member under this Policy.

The Company must receive written notice of application in the form prescribed by it within sixty (60) days of the date on which the Insured Member ceased to be Actively Employed or Engaged by the New Zealand Defence Force and subsequently ceased to be insured under this Policy. Only one Continuation Option may be exercised by an Insured Member under this Policy in their lifetime.

If an Insured Member does not meet condition 27 b) above because:

- i. they have been paid or are being paid a benefit under this Policy, or
- ii. they are currently prevented from performing all the duties of their Usual Occupation, due to Accident or Illness; or
- iii. they are currently prevented from working the normal hours of their Usual Occupation, due to Accident or Illness,

then within sixty (60) days of the later of the date on which the Insured Member ceased service with the New Zealand Defence Force or the date on which the Insured Member ceases receiving a benefit under this Policy and provided that on that date this Policy is still in force and the Insured Member has not attained their eightieth (80<sup>th</sup>) birthday, that Insured Member shall be entitled to transfer their benefits to policy GL AIA 0717 (Tier 2), subject to the following conditions:

- 1) the amount insured under the Tier 2 policy will not exceed the amount of benefits payable in respect of the Insured Member under this Policy; and
- 2) the Tier 2 policy will be subject to the standard Tier 2 policy conditions and provisions, including but not limited to residency status, location, occupational and minimum premium requirements; and
- 3) the premium payable will be calculated at the rate charged by the Company on Tier 2 policies, taking into account the Insured Member's age, occupation, income and gender; and
- 4) the Tier 2 policy will be subject to any extra premium or exclusion clause(s) imposed in respect of the Insured Member under this Policy including any additional terms relating to any Illness or Accident giving rise to any entitlement to claim a benefit under this Policy; and
- 5) there are no outstanding or overdue premiums in respect of the Insured Member under this Policy.

#### **28. Continuation Option for Category C Insured Members**

If a Category C Insured Member, under the age of eighty (80) years, completes a period On Duty outside of New Zealand, that Insured Member shall be entitled to transfer their benefits to policy GL AIA 0717 (Tier 2) without being required to produce any Evidence of Insurability, subject to the following conditions:

- a) the amount insured under the Tier 2 policy will not exceed the amount of benefits payable in respect of the Insured Member under this Policy; and
- b) the Insured Member is not in receipt of or entitled to receive benefits (other than Physical Loss Benefits) under this Policy; and
- c) the Tier 2 policy will be subject to the standard Tier 2 policy conditions and provisions, including but not limited to residency status, location, occupational and minimum premium requirements; and
- d) the premium payable will be calculated at the rate charged by the Company on Tier 2 policies, taking into account the Insured Member's age, occupation and gender; and
- e) the Tier 2 policy will be subject to any extra premium or exclusion clause(s) imposed in respect of the Insured Member under this Policy; and
- f) there are no outstanding or overdue premiums in respect of the Insured Member under this Policy.

The Company must receive written notice of application in the form prescribed by it within sixty (60) days of the date on which the Insured Member ceased the period On Duty outside of New Zealand and subsequently ceased to be insured under Category A of this Policy. Only one Continuation Option may be exercised by an Insured Member under this Policy in their lifetime.

If an Insured Member does not meet condition 28 b) above because:

- i. they have been paid or are being paid a benefit under this Policy, or
- ii. they are currently prevented from performing all the duties of their Usual Occupation, due to Accident or Illness;  
or
- iii. they are currently prevented from working the normal hours of their Usual Occupation, due to Accident or Illness,

then within sixty (60) days of the later of the date on which the Insured Member ceased the period On Duty outside of New Zealand or the date on which the Insured Member ceases receiving a benefit under this Policy and provided that on that date this Policy is still in force and the Insured Member has not attained their eightieth (80<sup>th</sup>) birthday, that Insured Member shall be entitled to transfer their benefits to policy GL AIA 0717 (Tier 2), subject to the following conditions:

- 1) the amount insured under the Tier 2 policy will not exceed the amount of benefits payable in respect of the Insured Member under this Policy; and

- 2) the Tier 2 policy will be subject to the standard policy conditions and provisions for Tier 2 policies, including but not limited to residency status, location, occupational and minimum premium requirements; and
- 3) the premium payable will be calculated at the rate charged by the Company on Tier 2 policies, taking into account the Insured Member's age, occupation, income and gender; and
- 4) the Tier 2 policy will be subject to any extra premium or exclusion clause(s) imposed in respect of the Insured
- 5) Member under this Policy including any additional terms relating to any Illness or Accident giving rise to any entitlement to claim a benefit under this Policy; and
- 6) there are no outstanding or overdue premiums in respect of the Insured Member under this Policy.

### **29. Extended Cover**

Unless shown as not applicable in the Policy Schedule, cover for an Insured Member under the age of eighty (80) years will continue for a maximum period of sixty (60) days after the Insured Member ceases to meet the Eligibility Criteria under the Policy. Extended cover will cease on the earliest of:

- a) the date the Insured Member meets any of the other provisions under termination of cover for an Insured Member; or
- b) sixty (60) days after the Insured Member ceases to meet the Eligibility Criteria; or
- c) the date the Company accepts or declines the Insured Member's application for a Continuation Option.

### **30. Policy Amendment**

The Company reserves the right to amend from time to time the Schedules, Definitions and General Conditions in this Policy upon giving ninety (90) days' notice in writing to the Policy Owner of its intention to do so, subject to the Rate Guarantee Period as set out in the Policy Schedule.

### **31. Taxes and Duties**

Where the Company is, or believes that it will become, liable for any tax or other duties levied by the Inland Revenue Department of New Zealand or any Government authority or body in connection with the Policy, the Company may reduce, vary or otherwise adjust any amounts (including but not limited to premiums, charges and benefits) under the Policy in the manner and to the extent the Company determines to be appropriate to take account of the tax or impost.

### **32. Jurisdiction and Currency**

This Policy shall be deemed to be issued in New Zealand and governed by the laws of New Zealand and all monies payable in respect hereof whether by or to the Company shall be payable in New Zealand currency.

### **33. Statutory Fund**

This Policy is part of the AIA New Zealand Statutory Fund, effective 1 September 2013. This is a requirement under the Insurance (Prudential Supervision) Act 2010, for policy holder protection.