



Key Person Payment Protection

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POLICY CONDITIONS

Whereas Allianz New Zealand Limited (hereinafter referred to as Allianz) and TOWER Life (N.Z.) Limited (hereinafter referred to as TOWER) (jointly referred to as the Companies) have authorised PROTECTA Insurance New Zealand Limited (hereinafter referred to as PROTECTA Insurance) and its agents to issue Lifestyle Protection Insurance policies on their behalf for the purpose of providing Benefits as described below.

Now this Policy witnesses that in consideration of the payment of the agreed premium and on the basis of the information contained in the Certificate of Insurance the company identified as underwriting the Insured Event in question will pay to the Insured the Benefits as described upon the happening of that Insured Event subject to the terms, conditions and exclusions set out in this Policy.

This Policy shall become operative on the Commencement Date of Cover and shall continue in force until terminated in accordance with the terms and conditions of this Policy.

This Policy provides cover to the Insured in accordance with the cover stated in the Certificate of Insurance.

Insured Events - Reducing Term Life, Terminal Illness, Disablement, Bankruptcy and Hospitalisation.

(Reducing Term Life and Terminal Illness underwritten by TOWER)
(Disablement, Bankruptcy and Hospitalisation underwritten by Allianz)

INSURED EVENTS AND BENEFITS:

<u>INSURED EVENT:</u>	<i>Reducing Term Life</i>	The death of the Insured prior to the Insured's 70 th birthday. (Underwritten by TOWER)
<u>BENEFIT:</u>		The amount stated in the Certificate of Insurance, under the Agreed Monthly Benefit, multiplied by the number of months and part months (calculated on a daily basis) from the date of the death of the Insured to the expiry of the period of insurance.
<u>INSURED EVENT:</u>	<i>Terminal Illness</i>	Any illness or Accidental Injury resulting in the Insured being totally disabled and thus being prevented from engaging in or attending to their usual business or occupation, which in the sole opinion of TOWER after consideration of such medical evidence as TOWER shall determine as reasonably necessary, is likely to result in the death of the Insured within six (6) months of the date on which the illness or Accidental Injury was diagnosed or suffered, as applicable, providing the illness or Accidental Injury occurs prior to the Insured's 70 th birthday. (Underwritten by TOWER)
<u>BENEFIT:</u>		The amount stated in the Certificate of Insurance, under the Agreed Monthly Benefit, multiplied by the number of months and part months (calculated on a daily basis) from the date on which the Terminal Illness was diagnosed to the expiry of the period of insurance.
<u>INSURED EVENT:</u>	<i>Disablement</i>	Any illness or Accidental Injury whilst the Insured is in Permanent Employment resulting in the Insured being totally disabled for a continuous period longer than seven (7) days and thus being prevented from engaging in or attending to their usual business or occupation or any occupation for which they are reasonably suited (by education, training or experience) prior to the Insured's 70 th birthday. (Underwritten by Allianz)
<u>BENEFIT:</u>		The amount stated in the Certificate of Insurance, under the Agreed Monthly Benefit calculated on a daily basis from the date of the Disablement. During any period of Disablement there shall be no Benefit payable hereunder for the first seven (7) days of such Disablement.
<u>INSURED EVENT:</u>	<i>Bankruptcy</i>	The Insured being Self Employed and the Insured being declared Bankrupt by the New Zealand High Court. (Underwritten by Allianz)
<u>BENEFIT:</u>		The Amount stated in the Certificate of Insurance, under the Agreed Monthly Benefit calculated on a daily basis, but not exceeding a period of one hundred and eighty (180) days, payable during the period immediately following the Insured becoming Bankrupt and

prior to the Insured being discharged from Bankruptcy or prior to the commencement of any employment. During any period of Bankruptcy there shall be no Benefit payable hereunder for the first twenty eight (28) days of such Bankruptcy.

INSURED EVENT: *Hospitalisation*

The Insured being hospitalised for a continuous period longer than two (2) days as a result of an Insured Event Disablement or Terminal Illness and for which a claim is payable under Insured Event Disablement or Terminal Illness.
(Underwritten by Allianz)

BENEFIT:

The Amount stated in the Certificate of Insurance under the Agreed Monthly Benefit calculated on a daily basis, but not exceeding a period of ten (10) days provided there shall be no Benefit payable hereunder for the first two (2) days of such Hospitalisation.

Worldwide Cover:

This Policy provides Worldwide cover subject to the Policy exclusions, terms and conditions in respect of the following Insured Events:
Reducing Term Life, Terminal Illness, Disablement and Hospitalisation.

No Benefit shall be paid in respect of an Insured Event that occurs outside New Zealand except where the Insured Event occurs within thirty (30) days of departure from New Zealand.

1. DEFINITIONS

Wherever used herein the following words and expressions shall unless the context otherwise requires have the meanings respectively assigned to them. Headings are for convenience only and shall not affect the interpretation. Words embodying the masculine gender shall include the feminine gender and vice versa.

"Accidental Injury"	means	the bodily injury of the Insured caused solely and directly by violent accidental external and visible means.
"Agreed Life Sum Insured"	means	the sum entered as the Agreed Life Sum Insured on the Certificate of Insurance.
"Agreed Monthly Benefit"	means	the sum entered as the Agreed Monthly Benefit on the Certificate of Insurance
"Benefit"	means	the Benefit detailed in the Certificate of Insurance in respect of the relevant Insured Event.
"Certificate of Insurance"	means	the Certificate of Insurance completed on the Insured's behalf prior to the Commencement Date of Cover.
"Commencement Date of Cover"	means	the start date stated on the Certificate of Insurance.
"Insured"	means	the person named as such on the Certificate of Insurance.
"Insured Event"	means	the event so described in this Policy as being an event upon which a Benefit becomes payable.
"Policy"	means	this Lifestyle Protection Insurance, including the Certificate of Insurance and conditions and endorsements (if any) thereon.

2. CLAIMS

(a) Notice of Claim

Notice of a claim must be given by the Insured or their representative to PROTECTA Insurance as soon as possible but in any case within twenty eight (28) days of the happening of the Insured Event by adopting one of the following options:-

- i) Telephone PROTECTA Insurance at Auckland, Phone (09) 377 6872 and ask for the Insurance Claims Department OR Fax to (09) 915 7831.
- ii) Write to PROTECTA Insurance, P.O. Box 37-371, Parnell, Auckland, requesting a claim form.
- iii) E-mail PROTECTA Insurance at customerservice@protecta.co.nz and request a claim form.

(b) Proof of Claim

The Insured or their representative shall furnish PROTECTA Insurance with all proof of the claim including such evidence as PROTECTA Insurance may reasonably require from time to time enabling PROTECTA Insurance to deal with the claim, such proof and evidence being provided at the expense of the Insured.

3. EXCLUSIONS

a) INSURED EVENTS – REDUCING TERM LIFE, TERMINAL ILLNESS and DISABLEMENT

No Benefit shall be paid on the happening of any of the Insured Events arising directly or indirectly from:

- i) Any consequence of declared or undeclared war or any act thereof, invasion or civil war, civil unrest, terrorism, nuclear weapons material, ionising, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste.
- ii) Any aerial activity, except if travelling as a ticket holding passenger or aircrew on a scheduled flight in a fixed wing aircraft owned and operated by a licensed airline or charter company.
- iii) The Insured engaging in competitive motor racing of any kind, parachuting, hang-gliding or any professional sporting activity.
- iv) Any medical condition (including symptoms) or Accidental Injury for which the Insured has received any medical advice or medical treatment prior to the Commencement Date of Cover.
- v) Human Immunodeficiency Virus or any sexually transmitted disease.
- vi) Any psychiatric or psychological illness (including but not limited to mental stress and/or depression).
- vii) Suicide, attempted suicide or self inflicted injury or illness.
- viii) The normal effects of pregnancy or childbirth.
- ix) Alcoholism, drug addiction, or the influence of intoxicating liquor, narcotics or non-prescribed drugs.
- x) The Insured taking part in any criminal act.
- xi) Asbestos, asbestosis or related diseases.

b) INSURED EVENT – BANKRUPTCY

No Benefit shall be paid on the happening of this Insured Event in any of the following circumstances:

- i) If the Insured knew, or should have known, prior to the Commencement Date of Cover that the Insured would be adjudged bankrupt.
- ii) If the Insured has not been carrying on the same business in the same style for at least two (2) years prior to the Commencement Date of Cover
- iii) Bankruptcy occurring outside New Zealand.

4. TERMINATION OF COVER

Cover on the Insured shall automatically terminate on the earliest of the following:

- i) The Insured's 70th birthday.
- ii) The expiry or cancellation of this policy.
- iii) The death of the Insured.
- iv) The payment of the Terminal Illness Benefit.

5. LIMITATION OF LIABILITY UNDER THIS POLICY

- a) The maximum total aggregate liability of the Companies under all Lifestyle Protection Insurance policies for any one Insured shall be the lesser of:
 - i) the Agreed Monthly Benefit stated on the Certificate of Insurance to an aggregate of payments not exceeding \$100,000 any one policy; or
 - ii) the Agreed Life Sum Insured stated on the Certificate of Insurance up to a maximum of \$100,000 any one policy; or
 - iii) up to a maximum of \$100,000 under all Lifestyle Protection Insurance policies.
- b) If while one of the Companies is making claim payments in respect of an Insured Event and one of the other Insured Events of Reducing Term Life, Terminal Illness, Disablement or Bankruptcy happens to the Insured, the Companies shall be liable only for one Benefit at any one time (with the exception of the Insured Event Hospitalisation).
- c) Once either the Reducing Term Life or Terminal Illness Benefit has been paid, the Companies shall have no further liability whatsoever under this Policy.
- d) The period of cover under this Policy shall be calculated from the Commencement Date of Cover and shall not exceed five (5) years.
- e) The Companies shall not be liable under this Policy should it be established that the Insured was aged 65 years or more at the Commencement Date of Cover unless PROTECTA Insurance has agreed to this in writing.
- f) The Benefit in respect of any one Bankruptcy shall not exceed the sum of \$10,000 or the Agreed Monthly Benefit Sum Insured calculated on a daily basis for a maximum of one hundred and eighty (180) days from the expiry of the stand down period (whichever is the lesser).
- g) The Benefit in respect of any one Hospitalisation shall not exceed \$1,000 or the Amount stated in the Certificate of Insurance under the Agreed Monthly Benefit Sum Insured calculated on a daily basis for a maximum of ten (10) days from the expiry of the stand down period (whichever is the lesser). Allianz's maximum liability in respect of Hospitalisation during the period of cover shall not exceed \$3,000.

6. GENERAL

a) Currency

All monetary amounts referred to in this Policy and Certificate of Insurance are expressed and payable in New Zealand currency.

b) Disappearance of the Insured

Death shall not in any way be presumed by the disappearance of the Insured except in the event of the total loss of a ship or aircraft in which the Insured was travelling.

c) Claim Payments

The Companies shall be entitled to pay part or all (whichever is appropriate in the circumstances) of any of the Benefits payable under this Policy to the Insured or nominee named in the Certificate of Insurance and their receipt will discharge PROTECTA Insurance's liability under this Policy for the amount so paid.

d) Cancellations

i) The Insured may at any time ask PROTECTA Insurance to cancel this Policy by giving seven days notice in writing to PROTECTA Insurance whereby this Policy will terminate. However PROTECTA Insurance shall only cancel this Policy if the Insured has supplied PROTECTA Insurance with written approval of the proposed cancellation from the agent who arranged the Policy and/or nominee named in the Certificate of Insurance. After such cancellation, PROTECTA Insurance will refund the unexpired portion of the retained premium on a pro rata basis less any administration fee charged by PROTECTA Insurance. PLEASE NOTE: No refund will be paid if a claim on this Policy has already been made.

ii) PROTECTA Insurance may at any time cancel this Policy by giving seven days notice in writing to the Insured whereby this Policy will terminate. After such cancellation PROTECTA Insurance will refund the unexpired portion of the retained premium on a pro rata basis less any administration fee charged by PROTECTA Insurance. PLEASE NOTE: No refund will be paid if a claim on this Policy has already been made.

iii) The cancellation provisions in clauses 6d) ii) above shall be effective as from 4pm on the seventh day after posting or personal delivery of the notice of cancellation to the other party at its last known address.

e) Cool-Off Period

If the Insured is not satisfied with the cover provided in this Policy, please advise PROTECTA Insurance in writing within fifteen (15) days of the Commencement Date of Cover. PROTECTA Insurance may then agree to change this Policy. If the Insured wishes to cancel this Policy within fifteen (15) days of the Commencement Date of Cover, the Insured may do so provided that there have been no claims. PROTECTA Insurance will then refund whatever sum is owing (if any) as a matter of law.

f) Conditions Precedent

The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy by the Insured insofar as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in any claim form or in any statement in support of a claim shall be conditions precedent to any liability to make any payment under this Policy.

g) Jurisdiction

This Policy shall in all respects be governed by and interpreted according to the laws of New Zealand.

h) Your Duty of Disclosure

Before entering into a contract of insurance, the Insured has a duty, at law, to disclose to PROTECTA Insurance all material facts. A material fact is one which may influence a prudent Insurer in deciding whether or not to accept the cover, and if so, on what terms and conditions and for what premium.

Examples of information an Insured may need to disclose include:

- i) Anything that increases the risk of an insurance claim.
- ii) Any criminal conviction or offence.
- iii) If another insurer has cancelled or refused to insure or renew insurance, has imposed special terms, or refused any claim.
- iv) Any insurance claim or loss made or suffered in the past.

These examples are a guide only. If there is any doubt as to whether a particular piece of information needs to be disclosed, it should be referred to PROTECTA Insurance.

If an Insured fails to comply with their duty of disclosure, PROTECTA Insurance may be entitled to avoid this Policy and reject any claim under it.

7. IMPORTANT NOTICES

Fair Insurance Code

Allianz New Zealand Limited and TOWER Life (N.Z.) Limited support the principles of the Fair Insurance Code. The purpose of this code is to increase the standards of practice and service within the insurance industry. Brochures on the code are available from PROTECTA Insurance's office.

Privacy Act 1993

Pursuant to the PRIVACY ACT 1993 the following is brought to your attention:

The Certificate of Insurance collects personal information about you.

The information is collected to evaluate the insurance you seek.

The intended recipients of the information are Allianz and TOWER.

The information is being collected and held by PROTECTA Insurance New Zealand Limited of PO Box 37-371, Parnell, Auckland.

The collection of this information is required pursuant to the common law duty to disclose all material facts relevant to the insurance sought and is mandatory.

The failure to provide this information may result in your application for insurance being declined, or your insurance being void from the beginning.

You have rights of access to, and correction of, this information subject to the provisions of the Privacy Act 1993.

Insurance Companies (Ratings and Inspection) Act 1994

This Policy is administered by PROTECTA Insurance and underwritten by Allianz and/or TOWER as identified in the Insured Event sections. Where this Policy refers to the Companies, that term shall apply to the company which is identified in the Insured Event section in question.

Allianz New Zealand Limited has been assigned an Insurer Financial Strength Rating of "A (Strong Financial Security)" from Standard & Poor's (Australia) Pty. Limited on the 8th November 2008. The Rating Scale is:

AAA	Extremely Strong Financial Security
AA	Very Strong Financial Security
A	Strong Financial Security
BBB	Good Financial Security (Adequate)
BB	Marginal Financial Security
B	Weak Financial Security
CCC	Very weak Financial Security
CC	Extremely Weak Financial Security
R	Regulatory Action
NR	Not Rated

Plus (+) or Minus (-) signs following ratings from "AA" to "CCC" show relative standings within the major rating categories.

TOWER Life (N.Z.) Limited has an "A- (Excellent)" Insurer Financial Strength Rating assigned by AM Best Company, Inc of New Jersey, United States of America on the 29th June 2008. The Rating Scale is:

A++	Superior	C++	Fair
A+	Superior	C+	Fair
A	Excellent	C	Marginal
A-	Excellent	C-	Marginal
B++	Very Good	D	Very Vulnerable
B+	Very Good	E	Under Supervision
B	Adequate	F	In Liquidation