



Key Person Payment Protection

PAYMENT PROTECTION INSURANCE POLICY

WELCOME TO YOUR PAYMENT PROTECTION INSURANCE POLICY

This is Your Insurance Policy which sets out what You are covered for and explains what You will receive, Your responsibilities and how to make a claim. We have authorised Protecta Insurance and their agents to administer this Policy.

You are important to Us and We welcome You as a valued customer.

IMPORTANT INFORMATION FOR YOU

1. This is Your policy which consists of four parts:
 - a. this policy document;
 - b. the most recent Certificate of Insurance setting out the cover applicable to You;
 - c. any endorsements to this Insurance Policy.
2. Please read Your Insurance Policy so You know exactly what You are covered for. If You do not fully understand this Insurance Policy please contact Protecta Insurance, who will be able to explain it to You. Any claims and general enquiries should be directed to Protecta Insurance. Please phone 0800 776 832.
3. Please examine this Insurance Policy and the Certificate of Insurance and if they do not meet Your requirements or if any information is not correctly stated, please return them at once and ask for the correction to be made.
4. Words and phrases that have special meaning will be found at the rear of this Insurance Policy under the heading **DEFINITIONS**.

WHAT YOU ARE COVERED FOR

You are only insured for the following covers if they are listed in the Certificate of Insurance under the heading 'Type of Cover'

DEATH

Your death during the Period of Cover.

What We will pay

We will pay the Policy Owner, the Amount to be Repaid as at the date of Your death, excluding any arrears more than 3 months.

TERMINAL ILLNESS

Any illness during the Period of Cover which in Our reasonable opinion after consideration of relevant medical evidence, is likely to result in Your death within 6 months.

What We will pay

We will pay the Policy Owner, the Amount to be Repaid as at the date the terminal illness was diagnosed, excluding any arrears.

DISABLEMENT

Any illness or Accidental Injury during the Period of Cover resulting in You being totally disabled for a continuous period longer than 7 days and being prevented from engaging in or attending to Your usual business or occupation or any business or occupation You are reasonably suited (by education, training or experience).

What We will pay

Total disablement

Once the 7 day period has been exceeded We will pay the Policy Owner, the Amount Payable during the period of total disablement. We will calculate this amount, by dividing the total amount of the Instalments for the term of the Credit Contract, (excluding any residual payments) by the number of days comprising the term of the Credit Contract, the result of the division then being multiplied by the number of days of such total disablement. There will be no payment for the first period of 7 days.

Total Permanent Disablement

Any permanent disablement during the Period of Cover which in Our sole opinion after consideration of such medical evidence as We shall determine as reasonably necessary, is likely to result in Your Total Permanent

Disablement, We will pay the Policy Owner, the Amount to be Repaid as at the date of the Total Permanent Disablement, excluding any arrears.

Recurring disablement

If You suffer from the same or related Accidental Injury or illness during the Period of Cover within 3 months of Your last payment under this cover, and You continue to be disabled, the disablement will be considered to be recurring. The payments will recommence and there will be no 7 day stand down period. Any payments made under this extension will be added to the original claim and period.

REDUNDANCY

You are made involuntarily Redundant from any Permanent Employment during the Period of Cover for a continuous period longer than 28 days.

What We will pay

Once the 28 day period has been exceeded We will pay the Policy Owner, the Amount Payable during the period following You becoming Redundant and before You start any Employment. We will calculate this amount, by dividing the total amount of the Instalments for the term of the Credit Contract, (excluding any residual payments) by the number of days comprising the term of the Credit Contract, the result of the division being multiplied by the number of days of the Redundancy. We will not pay any more than 180 days in respect of any one Redundancy. There will be no payment for the first period of 28 days.

BANKRUPTCY

You are Self Employed and You are declared Bankrupt by the New Zealand High Court during the Period of Cover.

What We will pay

Once the 28 day period has been exceeded We will pay the Policy Owner the Amount Payable following You becoming Bankrupt and prior to You being discharged from Bankruptcy. We will calculate this amount, by dividing the total amount of the Instalments for the term of the Credit Contract, (excluding any residual payments) by the number of days comprising the term of the Credit Contract, the result of the division being multiplied by the number of days of the Bankruptcy. We will not pay any more than 180 days in respect of any one Bankruptcy. There will be no payment for the first period of 28 days.

WHAT YOU ARE NOT COVERED FOR

We will not pay for any claim arising directly or indirectly from:

1. Any medical condition (including symptoms) or Accidental Injury for which You have received any medical advice, medical treatment or for which the symptoms were known prior to the Start Date or for which a reasonable person in the circumstances would have sought medical advice.
2. Any cause or condition that was known or ought to have been reasonably known by You at the Start Date.
3. Any psychiatric or psychological illness (including but not limited to mental stress and/or depression).
4. Suicide, attempted suicide or self-inflicted injury or illness.
5. Alcoholism, drug addiction, or the influence of intoxicating liquor, narcotics or non-prescribed drugs.
6. Elective surgery.
7. Any back related condition unless there is radiological or other sufficient evidence of medical abnormality, visible wound or contusion, and a doctor certifies that the condition solely prevents You from working.
8. 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.
9. 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.
10. You engaging in competitive racing of any kind (other than foot racing), parachuting, hang-gliding or any professional sporting activity.
11. Human Immunodeficiency Virus or any sexually transmitted disease.
12. The normal effects of pregnancy or childbirth.
13. You taking part in any criminal activity.
14. Asbestos, asbestosis or related diseases.
15. Avian influenza, haemorrhagic fever (e.g. Ebola) or any World Health Organisation declared epidemic or pandemic.
16. Any natural disaster including earthquake, volcano, tsunami or seismic event.

GENERAL CONDITIONS

When cover ends

Your cover shall automatically end on the earliest of the following:

1. Your 70th birthday.
2. The expiry of the Credit Contract.
3. You repay in full the Amount to be Repaid under the Credit Contract.
4. Any goods forming all or part of the Credit Contract being repossessed or sold.
5. This Insurance Policy being cancelled by You or Us.
6. The Period of Cover expiring.

Limitation of liability under this Insurance Policy

1. The most We will pay in total for all claims under all payment protection insurance policies arranged through Protecta Insurance covering You shall be the lesser of:
 - a. the Amount to be Repaid; or
 - b. \$100,000
2. If while We are making claim payments in respect of an Insured Event, and one of the other Insured Events happens to You, We shall only be liable for the Amount Payable for which We are already making payment.
3. The Period of Cover under this Insurance Policy shall be calculated from the Start Date and shall not exceed 60 months regardless of the term of Your Credit Contract.
4. If more than one insured person is named in the Certificate of Insurance or more than one payment protection insurance policy issued to different persons in respect of the same Credit Contract, then:
 - a. We will only pay once for any of the Insured Events of Death, Terminal Illness or Total Permanent Disablement. When We have made this payment all other covers provided in respect of that Credit Contract shall automatically end.
 - b. if while We are making claim payments in respect of one insured person for any one of the Insured Events of Disablement, Redundancy or Bankruptcy and any one of these same Insured Events happens to another insured person, We shall only be liable once for the Amount Payable for the first Insured Event.
5. Only one payment protection insurance policy can be issued to the same person in respect of any one Credit Contract. In the event of two or more such policies being issued Our liability in respect of the additional policies shall be confined absolutely to the return of the premium paid.

Currency

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

Your disappearance

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

Cancellations

1. You may at any time ask Us to cancel this Insurance Policy by giving 7 days notice in writing to Protecta Insurance whereby this Insurance Policy will end. However We shall only cancel this Insurance Policy if You have supplied Protecta Insurance with written approval of the proposed cancellation from the agent who arranged this Insurance Policy and/or the Policy Owner.
2. We have the right to cancel Your Insurance Policy where permitted by law. For example, We can cancel Your Insurance Policy:
 - a. where You fail to comply with a provision of Your Insurance Policy, or
 - b. where You have failed to pay the premium payment for this Insurance Policy, or
 - c. if You have made a fraudulent claim under Your Insurance Policy or under some other contract of insurance that provides cover during the same Period of Cover as Your Insurance Policy.
3. The cancellation provisions in clause 2. above shall be effective as from 4pm on the seventh day after posting or personal delivery of the notice of cancellation to You at Your last known address.

Jurisdiction

This Insurance Policy shall in all respects be governed by and interpreted according to the laws of New Zealand. The New Zealand courts have exclusive jurisdiction.

Your duty of disclosure

Before entering into an Insurance Policy, You have a duty, at law, to disclose to Us all material information. Material information is information that may influence a prudent insurer in deciding whether or not to accept the insurance proposal, and if so, on what terms and conditions and for what premium.

Examples of information You may need to disclose include but are not limited to:

1. Anything that increases the risk of an insurance claim.
2. Accurate date of birth details of the proposed insured person/s.
3. Accurate occupation details of the proposed insured person/s.

These examples are a guide only. All material information must be complete and correct and if there is any doubt as to whether a particular piece of information needs to be disclosed, this should be referred to Protecta Insurance.

Non-disclosure

If You fail to comply with Your duty of disclosure, We may avoid this Insurance Policy from the beginning and/or reject any claim under it.

15 Day money back guarantee

If You are not satisfied with the cover provided by this Insurance Policy please advise Protecta Insurance within 15 days of the Start Date. Protecta Insurance may agree to change the Insurance Policy. If You are still not satisfied You can cancel this Insurance Policy. Any documentation relating to this Insurance Policy must be returned to Protecta Insurance before any refund is made. Protecta Insurance will make a full refund of any premiums paid providing You have not made any claims against this Insurance Policy.

Privacy Act

This Insurance Policy collects personal information about You to enable Protecta Insurance to evaluate Your proposed insurance. The information collected will be held by Protecta Insurance, Virginia Surety Company, Inc., and agents of these entities. Failure to provide this information may result in Your insurance being declined or avoided. You have the right to request access to and correction of Your personal information by applying to Protecta Insurance at 110 Symonds Street, Auckland.

Dispute resolution process

Virginia Surety Company, Inc. is a member of the Insurance and Financial Services Ombudsman (IFSO). If a complaint should arise, You may contact Protecta Insurance directly. If Your complaint is not able to be resolved immediately by the person You are dealing with, it will initiate Protecta Insurance's Internal Dispute Resolution (IDR) process. There is no cost to use this procedure. If Your complaint cannot be resolved by Protecta Insurance, they may wish to refer the complaint to the IFSO. The IFSO is an independent approved dispute resolution scheme. It will not cost You anything to refer the complaint to the IFSO. Advice on the complaint process can be provided by Protecta Insurance New Zealand Limited, the Virginia Surety Company, Inc. agent in relation to this Insurance Policy.

The IFSO may be contacted:

- by phone on 0800 888 202 (free call);
- by writing to PO Box 10845, Wellington 6143 New Zealand;
- by emailing them at info@ifso.nz; or
- on the web www.ifso.nz

CLAIMS**Notice of claim**

Notice of a claim must be given by You or Your 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 one of the following:

1. Telephone Protecta Insurance at Auckland, Phone 0800 776 832 and ask for the Insurance Claims Department OR Fax to (09) 915 7831.
2. Write to Protecta Insurance, P.O. Box 37-371, Parnell, Auckland, requesting a claim form.
3. E-mail Protecta Insurance at: contact@protecta.co.nz and request a claim form.

Proof of claim

You or Your representative must supply Protecta Insurance all proof of the claim including such evidence as Protecta Insurance may reasonably require from time to time that enables Protecta Insurance to deal with the claim, such proof and evidence being provided at Your expense.

Payment of claims

When Protecta Insurance receives satisfactory proof of:

1. the happening of the Insured Event; and
2. Your age; and
3. the Amount to be Repaid;

We shall pay the Amount Payable to the Policy Owner who shall apply the amount on account of the balance of the Credit Contract.

Claim conditions

If You or the Policy Owner fail to observe, fulfil or comply with the terms, provisions, conditions and endorsements of this Insurance Policy, the truth of the statements and answers in any claim form or in any statement in support of a claim We may reject any payment under this Insurance Policy.

DEFINITIONS

Wherever the following words and expressions are used in this Insurance Policy they shall, unless the context otherwise requires, have the meanings 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;

bodily injury caused solely and directly by violent, accidental, external and visible means.

Amount Payable means;

the amount payable as described in this Insurance Policy in respect of the relevant Insured Event.

Amount to be Repaid means;

the total amount payable under the Credit Contract in the event of full prepayment less all Instalments which should have been paid.

Bankrupt or Bankruptcy means;

You being Self Employed and being declared bankrupt by the New Zealand High Court as a result of a Creditors Petition under the Insolvency Act 2006 or any legislation replacing this. This does not include:

1. if You knew, or should have known, prior to the Start Date that You would be adjudged bankrupt; or
2. You have not been carrying on the same business in the same style for at least 2 years prior to the Start Date; or
3. Bankruptcy occurring outside New Zealand.

Certificate of Insurance means;

the application form or the certificate of insurance provided when this Insurance Policy was arranged and/or any superseding certificate of insurance or endorsement.

Credit Contract means;

the finance contract, lease or credit contract agreement between the Policy Owner and You that is specified in the Certificate of Insurance under which You pay the Instalments (apart from any deposit or other Amount to be Repaid or credited at the time when the Credit Contract was entered into).

Employment means;

working for salary, wages, commission, compensation, fees or employment income and employed by an employer.

Insurance Policy means;

this payment protection insurance, including the Certificate of Insurance, and endorsements (if any).

Insured Event means;

the events so described in this Insurance Policy as being the event upon which the Amount Payable becomes payable and includes any resulting risk of default by You on obligations under the Credit Contract.

Instalments means;

the instalment amount stated on the Credit Contract and specified in the Certificate of Insurance. Should the instalment amount disclosed on the Credit Contract and specified in the Certificate of Insurance be calculated on a sum in excess of Our maximum total aggregate liability, set out in General Conditions, Limitation of Liability under this Insurance Policy, then any liability shall be limited to the instalments calculated on the maximum total aggregate liability of this Insurance Policy.

Period of Cover means;

the period of time, starting from the Start Date and ending at the expiry of the policy period stated in the

Certificate of Insurance, unless cancelled earlier in accordance with this Insurance Policy.

Permanent Employment means;

working for salary, wages, commission, compensation, fees or employment income and employed by an employer on a permanent basis for a minimum of 20 hours per week.

Policy Owner means;

the Finance Company stated in the Certificate of Insurance.

Redundant or Redundancy means;

loss of Permanent Employment because Your position becomes excess to requirement due to mechanisation, rationalisation, or decrease of business activity, including the closing down of an enterprise or changes in plant, methods, materials or products or re-organisation or other like cause requiring a permanent reduction in the number of workers employed. This does not include:

1. Your resignation, retirement, dismissal or voluntary redundancy; or
2. redundancy or Threatened Redundancy of which You knew or should have known at the Start Date; or
3. redundancy occurring outside New Zealand; or
4. redundancy due to cessation of work which is seasonal, contractual, temporary or part time; or
5. You are Self Employed or a working director; or
6. during any period of further Employment of any kind after the day You were made Redundant.

Note:

You are required to be actively seeking employment and be able to provide documented evidence of this.

Self Employed means;

a person who carries on business in New Zealand either on their own or together with another or other people, and who is not an employee.

Start Date means;

the date when this Insurance Policy starts as stated in the Certificate of Insurance.

Threatened Redundancy means;

notice has been given by Your employer of their intention to make some or all of their employees Redundant.

Total Permanent Disablement means;

any illness or Accidental Injury resulting in You being totally and permanently disabled and being prevented from ever engaging in or attending to Your usual business or occupation or any business or occupation for which You are reasonably suited (by education, training or experience).

We, Us or Our means;

Virginia Surety Company, Inc.

You or Your means;

The insured person or persons named in the Certificate of Insurance.

INSURER DETAILS

This Insurance Policy is underwritten by:

Virginia Surety Company, Inc. (NZ Company No 920 655) of

Unit 3, Level 2, 73 Manchester Street, Christchurch, 8011, New Zealand.

ROLLOVER COVER

This rollover cover only applies when the circumstances set out in the Background below apply.

Background

1. You have a Previous Insurance Policy with Protecta Insurance in relation to a previous Credit Contract with the Policy Owner.
2. You have entered into a new Credit Contract with the Policy Owner, which replaces the previous Credit Contract.
3. The Policy Owner and Protecta Insurance have agreed to cancel the Previous Insurance Policy and replace it seamlessly with a new Insurance Policy in relation to the new Credit Contract.
4. A new Insurance Policy will be issued for the same type of cover as the Previous Insurance Policy.
5. This rollover cover records this arrangement.

Cancellation of Insurance Policy being replaced

The Policy Owner and Protecta Insurance agree that from the New Start Date, the Insurance Policy being replaced is cancelled.

Commencement of new Insurance Policy

The Policy Owner and Protecta Insurance agree that immediately upon the replaced Insurance Policy being

cancelled it is seamlessly replaced with a new Insurance Policy.

Variations to this Insurance Policy to create the new Insurance Policy

1. The existing policy wording is varied as follows:

a. The following definitions are varied to read as follows:

Previous Insurance Policy means;

The Insurance Policy with a Start Date prior to the new Insurance Policy which started immediately prior to You:

- seeking medical advice; or
- receiving medical treatment; or
- being aware of, or should have been aware of, related symptoms; for an Insured Event giving rise to a claim.

For an Insurance Policy to be considered a Previous Insurance Policy, all subsequent insurance policies for You, must be continuous with the same Type of Cover.

New Start Date means;

The date the new Insurance Policy becomes effective.

b. Where any of the policy conditions under the heading “What You are not covered for” excludes cover when certain medical conditions or circumstances existed before the New Start Date of the New Insurance Policy, the exclusion is subject to the following exception;

Exception

If any medical condition (including symptoms) or accidental injury occurred after the Start Date of the Previous Insurance Policy, and the medical condition or accidental injury would have been covered under the Previous Insurance Policy, then the Insured Event is covered under the new Insurance Policy, subject to the following:

- i. The Amount Payable is the amount that was payable under the Previous Insurance Policy; and
- ii. The maximum period We will pay is up to the expiry of the Previous Insurance Policy; and
- iii. There is no cover under this new Insurance Policy if the Insured Event occurs after the Period of Cover, of the Previous Insurance Policy, has come to an end.

2. The Amount Financed, the Instalments and other consequential changes are recorded in the new Credit Contract.