



Income Protection Policy Document

Income Protection

Asteron Life Limited

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1.0 Introduction

This policy document, together with the schedule, is evidence of the Policy Owner's contract with us. The Policy Owner should read this document in conjunction with the schedule because together they contain important information relating to this policy. Please keep this policy document and schedule in a safe place.

1.1 How to understand this policy document

The following information is useful to help the Policy Owner understand this policy document:

- when we refer to 'we', 'our', 'us' and 'Asteron' we are referring to Asteron Life Limited;
- when we refer to 'you' and 'your' we are referring to the insured person named in the schedule. While you are insured under the policy and can also be the Policy Owner, the policy can be owned by someone else;
- references to the Policy Owner include that person's legal personal representatives;
- words or expressions used that have a particular meaning are shown in *italic* type and are explained in section 10 or in the schedule;
- headings are intended to help identify sections of the policy document, but are not to be used to interpret the provisions of the policy;
- words indicating the singular can also be taken to mean the plural and vice versa;
- all references to dollar amounts in this policy are references to New Zealand currency;
- all payments to and from us must be in New Zealand dollars;
- this policy is to be interpreted in line with the law as it applies in New Zealand;
- this policy has no cash value so you do not receive any money if you decide to cancel it.

1.2 Worldwide cover

This policy provides worldwide cover, 24 hours a day.

If you are overseas while on claim, claim payments are subject to sections 5.11 and 5.12.

1.3 How to contact us

Administration queries

If the Policy Owner has any questions about the policy, or when and how changes can be made to the policy, please address all correspondence to:

Administration
Asteron Life Limited
PO Box 894
Wellington

Please note that we will only act on the Policy Owner's instructions when they arrive at our head office in Wellington.



Claims queries

If the Policy Owner has any queries about how to claim or an on-going claim, please address all correspondence to:

Claims
Asteron Life Limited
PO Box 894
Wellington

Policy Owner complaints

If the Policy Owner has any complaints regarding the policy, they can be dealt with directly by addressing all correspondence to:

The Complaints Officer
Asteron Life Limited
PO Box 894
Wellington

At the time this policy is issued, we are a participant in the Insurance and Savings Ombudsman Scheme. In the unlikely event of the Policy Owner's complaint not being resolved satisfactorily, it may be referred to the Insurance and Savings Ombudsman if the policy is within their jurisdiction. The contact details are:

Insurance and Savings Ombudsman
PO Box 10-845
Wellington

Freephone: 0800 888 202
Facsimile: 04 499 7614
www.iombudsman.org.nz

1.4 How we contact the Policy Owner

Notices and other information concerning this policy will be sent to the Policy Owner at the address last advised to us. It is important that we be advised of any changes in the Policy Owner's contact information.

1.5 Who we will pay

Unless otherwise stated, all payments made by us under this policy will be paid to you or, if you die, your legal personal representative.

1.6 Your privacy

We may collect medical and financial information to assist us in processing applications for insurance, changes to the policy and in assessing claims. This information may be disclosed in strictest confidence to our staff, consultants, reinsurance companies, your doctor or other qualified medical personnel.

2.0 The rights and obligations of you and the Policy Owner

Please review this policy document carefully.

2.1 Guarantee of satisfaction

If the Policy Owner is not completely satisfied with this Income Protection policy, cancellation can be requested, in writing, within 17 days of the issue of this policy.

The letter must be signed by the Policy Owner and sent to our head office at Wellington together with this policy document and the schedule.

We will cancel the policy from the time it started and refund any premiums and policy fees paid. If it is cancelled, the policy will be treated as though it never existed. The policy cannot be cancelled if a claim has been made.

2.2 Paying for this policy

To start and retain the cover provided under the policy, the premiums payable must be paid to us, as provided in section 8.

2.3 Altering this policy

It is possible to change some aspects of the cover provided under this policy. To do this the Policy Owner should contact us and quote the policy number. Please refer to section 1.3 for our contact details. We will try to make the requested change, but this will not always be possible. In some cases, we may require further information from you or the Policy Owner in writing.

A change to the policy will only apply if we confirm the change in writing.

2.4 Misstatement of age

If you have misstated your age, we have the right to adjust the benefits provided under the policy to reflect your correct age and actual premiums paid.

Alternatively, if your age has been overstated, we may, at our discretion, repay any overpayments of premium.

2.5 Duty of Disclosure

If you or the Policy Owner do not disclose information that is material to us, or if any information provided is substantially incorrect and material, we may either avoid this policy from its inception, or any one or more of the benefits may be avoided from inception or reduced, premiums forfeited and benefits paid may have to be refunded.

3.0 Our obligations under this policy

3.1 We guarantee to upgrade this policy

If we make any future improvements to this Income Protection product without any increase in our standard premium rates, we will provide these improvements to the Policy Owner without charging an extra premium.

If you are suffering a *pre-existing condition* at the time the improvement is provided, the improvement will not apply when assessing any claim affected by that *pre-existing condition*.

3.2 We guarantee to renew this policy

If the premiums payable under this policy are paid in accordance with section 8, and the Policy Owner continues to meet the terms and conditions of this policy, we will continue to renew the policy each year until cover ends (please refer to section 4) without any more restrictive terms being included, regardless of:

- the number of claims made; or
- any changes to your health, occupation or pastimes.

4.0 When the cover begins and ends

The policy commences on the *commencement date*, subject to our receipt of the first premium. The term of this policy is one year, renewable at the end of each year by payment of the first instalment premium for the next year.

Cover ends on the earliest of:

- the date you permanently leave the workforce or permanently cease being available for *full time* work, other than because of *disablement* where benefits are still payable under the policy;
- the date we receive the Policy Owner's letter requesting to cancel the policy;
- cancellation of the policy for non-payment of the premiums (please refer to section 8),
- the date on which all benefit entitlements under the policy end;
- the *benefit expiry date*;
- you attain age 65, unless your schedule states the payment period is *age 70*, in which case the covers ends when you attain age 70; and
- your death.

In addition to above, the following benefit will cease on the earlier of:

For Needlestick Option

- the date we receive the Policy Owner's letter requesting us to cancel the Needlestick Option;
- the *expiry date* of the Needlestick Option;
- payment of the *sum insured* for the Needlestick Option;
- the insured no longer works in an approved occupation under the Needlestick Option;
- the anniversary of the commencement date when you are 65.

5.0 Benefits under this policy

This section outlines the benefits available under the Income Protection policy.

Benefits may be limited, or are not payable, in some circumstances, which are explained in section 7. Payment of a benefit is subject to our claim requirements (please refer to section 9) being met.

5.1 Totally Disabled Benefit

We will pay the Totally Disabled Benefit if, while covered under this policy:

- you have been continuously *totally disabled* for at least 14 days during the *waiting period*;
- including the period you were *totally disabled*, you have been continuously *disabled* for the *waiting period*;
- unless your *disablement* is a recurring *disability* (please refer to section 5.5), you have been continuously *disabled* since the end of the *waiting period*; and
- you are *totally disabled*.

Payments accrue from the first day of each period during which you are *totally disabled* after the end of the *waiting period* and are made monthly in arrears.

Unless your schedule states that the Farmers Benefit applies (please refer to section 6.1.3), we will consider you to be *totally disabled* if, solely due to *injury* or *sickness*:

- you are unable to perform your *usual occupation* for more than 10 hours per week;
- you are not working for more than 10 hours per week in any *gainful occupation*; and
- your *monthly income* is less than 75% of your *pre-disability income*,

as long as you are following the advice of a *registered doctor* in relation to that *sickness* or *injury*.

If your schedule states that the Farmers Benefit applies (please refer to section 6.1.3), we will consider you to be *totally disabled* if, solely due to *injury* or *sickness*:

- you are unable to perform your *usual farming occupation* for more than 10 hours per week; and
- you are not working in any *gainful occupation*,

as long as you are following the advice of a *registered doctor* in relation to that *sickness* or *injury*.

5.1.1 If the schedule states that Indemnity applies

If you are *totally disabled* and the schedule states that Indemnity applies, benefit payments will be calculated as the lesser of:

- the *monthly benefit*; and
- 75% of *pre-disability income*.

This figure is then reduced by any *monthly income* and *other income* received while *disabled*.

5.1.2 If the schedule states that Loss of Earnings applies

If you are *totally disabled* and the schedule states that Loss of Earnings applies, benefit payments will be calculated as the lesser of:

- the *monthly benefit*; and
- $(A - B) \times 75\%$;

Where:

A = *pre-disability income*

B = *monthly income and other income* received while *disabled*.

5.1.3 If the schedule states that Agreed Value applies

If you are *totally disabled* and the schedule states that Agreed Value applies, benefit payments will be calculated as:

- the *monthly benefit* – B

Where:

B = *monthly income and other income* (both adjusted for any estimated tax payable) received while *disabled*.

5.1.4 If the schedule states that Loss of Earnings Plus applies

If you are *totally disabled* and the schedule states that Loss of Earnings Plus applies, benefit payments will be calculated as the greater of (i) and (ii) below, up to a maximum of the *monthly benefit*.

(i) (*monthly benefit* – B); and

(ii) $(A - B) \times 75\%$;

Where:

A = *pre-disability income*

B = *monthly income and other income* received while *disabled*.

5.2 Partially Disabled Benefit

The Partially Disabled Benefit does not apply if the Farmers Benefit applies.

We will pay the Partially Disabled Benefit if, while covered under this policy:

- you have been continuously *totally disabled* for at least 14 days during the *waiting period*;
- including the period you were *totally disabled*, you have been continuously *disabled* for the *waiting period*;
- unless your disablement is a recurring *disability* (please refer to section 5.5), you have been continuously *disabled* since the end of the *waiting period*; and
- you are *partially disabled*.

We will waive the requirement for you to be continuously *totally disabled* for at least 14 days during the *waiting period* if, in our opinion, your *partial disability* is permanent, or you will be *partially disabled* for at least 12 months.

Payments will accrue from the first day of each period during which you are *partially disabled* after the end of the *waiting period* and are made monthly in arrears.

We will consider you to be *partially disabled* if:

- you are able to perform or are working in your *usual occupation*, or you are working in a *gainful occupation*, for more than 10 hours per week; and
- solely due to the same *injury* or *sickness* which caused you to be previously *totally disabled*:
 - you are working or are only capable of working in your *usual occupation* in a reduced capacity or for fewer hours than you worked before becoming *disabled*; and
 - as a result, your *monthly income* is less than 75% of your *pre-disability income* or if you are not actually working, would be less than 75% of your *pre-disability income*;

as long as you are following the advice of a *registered doctor* in relation to that *sickness* or *injury*.

If you are *partially disabled* and not working to your capability, 'B' (with reference to sections 5.2.1, 5.2.2, 5.2.3 and 5.2.4) will be calculated based on what we consider you could reasonably be expected to earn if you were working to the extent of your capability, having regard to medical advice, including the opinion of your *registered doctor* or any other *registered doctor* approved by us.

5.2.1 If the schedule states that Indemnity applies

If you are *partially disabled* and the schedule states that Indemnity applies, benefit payments will be calculated as:

$$\frac{A - B}{A} \times C$$

Where:

A = *pre-disability income*

B = *monthly income and other income* while *partially disabled*

C = the lesser of 75% of *pre-disability income* and the *monthly benefit*

5.2.2 If the schedule states that Loss of Earnings applies

If you are *partially disabled* and the schedule states that Loss of Earnings applies, benefit payments will be calculated as the lesser of:

- $(A - B) \times 75\%$; and
- the *monthly benefit*.

Where:

A = *pre-disability income*

B = *monthly income and other income while partially disabled*.

5.2.3 If the schedule states that Agreed Value applies

If you are *partially disabled* and the schedule states that Agreed Value applies, benefit payments will be calculated as:

- the *monthly benefit* – B

Where:

B = *monthly income and other income* (both adjusted for any estimated tax payable) while *partially disabled*.

5.2.4 If the schedule states that Loss of Earnings Plus applies

If you are *partially disabled* and the schedule states that Loss of Earnings Plus applies, benefit payments will be calculated as the greater of (i) and (ii) below, up to a maximum of the *monthly benefit*.

(i) (*monthly benefit* – B); and

(ii) $(A - B) \times 75\%$;

Where:

A = *pre-disability income*

B = *monthly income and other income while partially disabled*.

5.3 25% Income Bonus Benefit

If you are *partially disabled* and the schedule states that Loss of Earnings or Loss of Earnings Plus applies, for each month during the first 12 months following the expiry of your *waiting period*, while you are *partially disabled*, we will also pay a bonus of 25% of your *monthly income while partially disabled*. You must be continuously *disabled* during this time.

We will limit this bonus so that your combined Partially Disabled Benefit (including this bonus), *monthly income and other income while partially disabled* does not exceed 100% of your *pre-disability income*.

5.4 When disablement benefits end

Payment of the Totally Disabled Benefit or the Partially Disabled Benefit (as applicable), stops on the first to occur of:

- you are no longer *totally disabled* or *partially disabled* (as applicable);
- the end of the *benefit period*; and
- the date cover ends under the policy (please refer to section 4).

5.5 Recurrent Disability Benefit

If you suffer from the same *sickness* or *injury* within 12 months of a disability claim ending, we will consider your disablement as being recurring.

If we consider you to have a recurring *disability* and it occurs whilst this policy is still in force, we will recommence assessment of benefit without applying a new *waiting period* but only for any remaining part of the *benefit period*.

The *benefit period* is reduced by the previous periods for which we paid benefits for the *disablement* and each recurrence of the *disablement*.

If the *benefit period* is 5 years or less, and we have made payments for the full *benefit period*, you must return to *full-time* work for at least 6 continuous months and perform all of the *important income producing duties* of your *usual occupation* without restriction before becoming eligible to submit a new claim for the same or a related *sickness* or *injury*. A new *waiting period* and *benefit period* will then apply.

5.6 Inflation Adjustment Benefit

While this policy is in force, on each anniversary of the *commencement date* we will offer to increase the *monthly benefit* amount without any account being taken of any changes to your health, occupation or pastimes.



The increase in the *monthly benefit* will be greater of 2% and the *indexation factor*.

Premiums will be increased to reflect the adjusted *monthly benefit* amount.

The Inflation Adjustment Benefit will not apply if:

- you are receiving payments from us under this policy (the Unemployment Benefit within the Extras Package is not considered to be a payment for this purpose); or
- the Policy Owner tells us, in writing, not to apply the increase (we will notify the Policy Owner beforehand and give them the opportunity to tell us).

The Policy Owner should reject the increase if the additional cover is not required.

5.7 Income Update Benefit

If the schedule states that the policy is an Indemnity or a Loss of Earnings contract, the Policy Owner has the option to increase the *monthly benefit*, each year on the anniversary of the *commencement date*, without needing to provide further financial or medical evidence if:

- you are under age 55 at the time of the option to increase; and
- no benefit is being received or payable under this policy and premiums are not being waived.

The maximum increase is 7.5% of the *monthly benefit* at the *commencement date* of this policy.

The total of all increases in the *monthly benefit* under this benefit, cannot exceed the original *monthly benefit* at the *commencement date* of this policy.

This benefit is not available, or ceases to be available, if the *monthly benefit* is or becomes equal to or greater than \$8,000.

5.8 Funeral Benefit

If you die while on claim under this policy, we will reimburse the Policy Owner for direct funeral costs up to:

3 times the monthly benefit	4 times the monthly benefit	6 times the monthly benefit
If death occurs during the first 2 years after policy commencement	If death occurs during the 3 rd or 4 th year after policy commencement	If death occurs during the 5 th year or later after policy commencement

Direct funeral costs include funeral directors fees, flowers, death notices and plot fees.

In order to apply for this benefit, we will require the Policy Owner to submit the following:

- a request for reimbursement;
- a receipt proving payment of the direct funeral costs; and
- acceptable written evidence of your death.

If you have multiple Asteron products with funeral benefits, we will reimburse each direct funeral cost only once.

5.9 Grief Support Benefit

If we pay the Funeral Benefit, we will reimburse your *immediate family members* ('the recipients') for the cost of receiving initial, confidential grief counselling from a counsellor approved by us. Asteron will reimburse the following:

\$600	\$750	\$900
If claimed during the first 2 years after policy commencement	If claimed during the 3 rd or 4 th year after policy commencement	If claimed during the year 5 th year or later after policy commencement

The counsellor cannot be:

- the Policy Owner;
- a business partner of you or the Policy Owner;
- any person who is an *immediate family member* of or otherwise related to you or the Policy Owner.

Initial counselling received by the recipients with the counsellor must be within 13 months of your death to be eligible for reimbursement.

In order to apply for the benefit we require the recipients to submit the following:

- a request for reimbursement; and
- a receipt showing how much was paid; and
- the details of the qualifications that the counsellor holds.

Payment of the Grief Support Benefit is subject to our normal claim requirements.

5.10 Elective Surgery Benefit

We will pay the Totally Disabled Benefit or Partially Disabled Benefit (as applicable) if, on the advice of a *registered doctor*, you have elective surgery to:

- transplant part of your body to someone else; or
- improve your appearance,

where the applicable benefit would otherwise have been payable except that your disability was due to the surgery, rather than a *sickness or injury*.

5.11 Overseas Assist Benefit

If you are overseas and become *disabled* and you are entitled to receive payments from us, we will reimburse reasonable expenses for you and your *immediate family members* to return to either your home address in New Zealand or Australia or a medical facility in New Zealand or Australia.

We will reimburse up to \$10,000 over the life of the policy. You must advise us in advance of your return journey to New Zealand or Australia. Payment will be made after appropriate evidence is received.

This benefit will not apply:

- if your journey overseas before becoming *disabled* was taken against the advice of a medical practitioner; or
- if your journey takes place when you have been *disabled* while overseas for more than 3 months after the end of the *waiting period*; or
- for expenses covered by any other policy of insurance, for example, travel insurance.

5.12 Payments While Overseas

If you are *disabled* while overseas (excluding Australia) and you are entitled to receive payments from us, we

will continue to pay you while you are overseas for up to 3 months, but only if you are able to satisfy our claim requirements (please refer to section 9).

We will recommence benefits without a new *waiting period* when you return to New Zealand or Australia if:

- your *disablement* has been continuous since we ceased payments;
- you are still *disabled* from the same cause when you return to New Zealand or Australia; and
- you are entitled to receive payments for that *disablement* under this policy.

5.13 Premium and Cover Suspension Benefit

The Policy Owner can tell us to suspend cover and premiums under the policy if you are:

- unemployed; or
- on sabbatical, maternity or long term leave from work.

The Premium and Cover Suspension Benefit is only available if the policy has been continuously in force and premiums have been paid for at least 12 consecutive months. We will suspend cover and premiums for a minimum of 3 months and a maximum of 12 months from the time the Policy Owner tells us in writing.

If cover is suspended, it can only be reinstated at the request of the Policy Owner and after we have received the next premium.

If cover is suspended it is not automatically reinstated. In order to reinstate cover, the Policy Owner must, within 12 months of the suspension of cover commencing, ask us to reinstate the cover and pay the next premium. Otherwise, we will cancel the policy.

If you are suffering a *pre-existing condition* at the time the cover is reinstated, no benefit is payable for any claim affected by that *pre-existing condition*.

5.14 Premium Waiver Benefit

If you are *disabled* and you are entitled to receive payments from us under this policy, the premiums payable under this policy will be waived or refunded until the earlier of:



- the date you are no longer *disabled*; and
- you are not entitled to receive payments for that *disablement* under this policy.

In respect of payments made under the Crisis Benefit (if applicable), the Premium Waiver Benefit will apply during the payment period for that benefit. Otherwise, the Premium Waiver is backdated to the first day of the *waiting period*, if a benefit is payable after the end of the *waiting period*. Premiums referable to the *waiting period* will be refunded with the first payment from us.

When premiums become payable again, the premium will be calculated in accordance with section 8.

5.15 Pregnancy Premium Waiver

If you become pregnant while this policy is in force, and:

- you provide us with a confirmation of pregnancy from a *registered doctor*; and
- you did not become pregnant within 6 months of:
 - the *commencement date*; or
 - the most recent reinstatement of this policy; and
- you are on maternity leave from your usual *gainful occupation*,

we will waive the premiums under this policy for up to 6 months. The Policy Owner can choose when to waive the premiums for up to 6 months at any stage between the second trimester and 6 months after your pregnancy finishes.

The Policy Owner must notify us in writing when the Policy Owner wishes to waive premiums under this benefit.

Unless cover has otherwise ceased under section 4, this benefit will cease when a total of 6 months premiums, including any premiums waived during an earlier pregnancy, have been waived.

5.16 Retraining and Rehabilitation Benefit

To assist you to return to a *gainful occupation* and help you recover, we will reimburse any retraining or rehabilitation expenses (up to 12 times the *monthly benefit*), if:

- we agree to your retraining or rehabilitation expenses before they are incurred;
- these expenses are incurred while we are making payments for *disablement*; and
- these expenses are not being reimbursed from elsewhere.

Reimbursement will commence on the first day you meet the terms of this benefit and will be made monthly in arrears.

Retraining and rehabilitation expenses may include Government sponsored or approved rehabilitation program fees, vocational training expenses, travel expenses and special equipment.

If you are suffering from a recurring *disability* (please refer to section 5.5), we will only reimburse expenses up to the remainder (if any) of the 12 months potential payment under this benefit. If you suffer from a new *disablement*, a new maximum payment under this benefit will apply.

5.17 Return to Work Benefit

We will pay the Return to Work Benefit if:

- we have agreed to pay the Retraining and Rehabilitation Benefit;
- you commence a *gainful occupation* immediately following retraining or rehabilitation; and
- we have agreed to pay the Return to Work Benefit.

We will pay:

- 1 *monthly benefit* after you have returned *full-time* to a *gainful occupation*, for 3 continuous months; and a further
- 2 times the *monthly benefit* after you have returned *full-time* to a *gainful occupation*, for 6 continuous months.

6.0 Optional benefits under this policy

The following optional benefits apply to the policy if they are listed on the schedule.

Benefits may be limited, or are not payable, in some circumstances, which are explained in section 7. Payment of a benefit is subject to our claim requirements (please refer to section 9) being met.

6.1 Business Option

The following benefits apply if the schedule states that the Business Option has been chosen.

The benefits and other provisions contained in section 6.1.1, 6.1.2, and 6.3 do not apply if the Farmers Benefit applies.

6.1.1 Business Re-establishment Benefit

If you:

- had been receiving benefits from us because you were *disabled* for a continuous period of at least 6 months; and
- are no longer on claim; and
- have returned to work for at least 2 consecutive months,

we will reimburse any legitimate business re-establishment costs pre-approved by us at the time you incur those costs, up to a maximum total amount of the final 2 months' benefit payment. Any claims under the Business Re-establishment Benefit must be made within 3 months of a *disability* benefit ending. A claim on this benefit may only be made once over the life of the policy.

Legitimate business re-establishment costs which might be approved by us for the purposes of this section include:

- paying for printing and distributing "welcome back" notifications; and other costs incurred in re-establishing client relations;
- costs of modifying business premises to accommodate your return to work or equipment necessary to accommodate your return to work after your *disability*; and
- any other cost approved by us which will assist you to re-establish yourself in business.

6.1.2 Treatment of Accident Compensation Corporation (ACC) income

If you suffer an *injury* for which cover is provided under the Injury Prevention, Rehabilitation, and Compensation Act 2001 (or any replacement legislation), the definition of section 7.2 will be varied to provide that only the actual level of entitlement being received, or entitled to be received, from the Accident Compensation Corporation will be taken into account in calculating your totally Disabled Benefit or Partially Disabled Benefit rather than the deemed level of entitlement.

For this variation to apply, you must use best endeavours to pursue any entitlement you may have with the Accident Compensation Corporation so as to maximise any benefit payable by that organisation.

6.1.3 Replacement Labour Benefit

If you are *totally disabled* and are eligible to be receiving payments from us, the definition of *monthly income* will be varied during the first 24 months so that business expenses may include the cost of a *replacement employee*.

6.1.4 Farmers Benefit

If you were working in a *farming occupation* immediately before becoming *totally disabled*, and the schedule states that the Farmers Benefit applies, we will pay the Farmers Benefit instead of any Totally Disabled Benefit or Partially Disabled Benefit for the period of your *disability* whilst you maintain responsibility for the operation of the farm.

The Farmers Benefit payable if you are *totally disabled* will be the lesser of:

- the wages paid to your *replacement employee* during that month, less any *other income* received while *totally disabled* during that month; or
- the monthly benefit.

If you are not *totally disabled*, but:

- you are able to perform or are working in your *usual farming occupation* for more than 10 hours per week; and
- solely due to the same *sickness* or *injury* which caused you to be previously *totally disabled* you are working, or capable of working, in your usual occupation for fewer than 20 hours per week; and
- you are not working in any other *gainful occupation*; and
- you have not already received 12 payments for the Farmers Benefit (partial payment) over the term of the policy,

then you are eligible for a Farmers Benefit (partial payment). The Farmers Benefit (partial payment) is calculated as the lesser of:

- 50% of the *monthly benefit* less *other income* received while *disabled* during that month; or
- \$6,000.

We will stop making the Farmers Benefit (partial payment) payments on the first to occur of:

- you are no longer eligible for a Farmers Benefit (partial payment) benefit; or
- a total of 12 payments have been made for the Farmers Benefit (partial payment) over the term of the policy.

To exercise the Farmers Benefit, including the Farmers Benefit (partial payment), we will require financial

evidence to support your claim, including a copy of invoices, receipts and schedule of hours worked and/or an audit certificate and copies of relevant tax returns.

The Farmers Benefit, including the Farmers Benefit (partial payment) will end when:

- you no longer have responsibility (including ownership or control) for the farm;
- the farm you have responsibility for (including ownership or control), is sold; or
- the date cover ends under this policy (please refer to section 4).

6.2 Extras Package

If the schedule states that the Extras Package has been chosen, the following benefits will also apply to this policy in order to supplement and help replace your reduced earnings or, in the case of the Accommodation Benefit, help replace earnings that might need to be applied to meet the accommodation costs in question.

6.2.1 Accommodation Benefit

If you are *bed confined* as a result of being *totally disabled* while covered for the Extras Package, and:

- you are *totally disabled* more than 100km from your usual place of residence; or
- on the advice of a *registered doctor*, you travel to a place more than 100km from your usual place of residence,

we will reimburse actual accommodation costs directly incurred by an *immediate family member* accommodated near where you are *bed confined* up to \$200 per day (indexed by the *indexation factor*) for a maximum of 30 days in any 12 month period, less amounts that are reimbursed from elsewhere.

Payments will be made monthly in arrears after the terms of this benefit are met.

6.2.2 Bed Confinement Benefit

If, while covered for the Extras Package, you are *bed confined* for more than 72 hours in a row as a result of being *totally disabled* during the *waiting period*, we will pay 1/30th of the *monthly benefit* for each day (including the first 72 hours) you are *bed confined* during the *waiting period*, for up to 90 days.

If you become *bed confined* as a result of a recurrent *disability* (please refer to section 5.5) any further benefits will be determined after taking into account the benefits already paid under this benefit.

Payments will be made monthly in arrears if the terms of this benefit are met.

The Bed Confinement Benefit is not paid in conjunction with any other payment under this policy.

6.2.3 Crisis Benefit

The Crisis Benefit does not apply if the waiting period stated in the schedule is more than 90 days.

If, while covered for the Extras Package, you suffer from a condition listed under this benefit, we will treat you as if you are *totally disabled* and make payments for the applicable payment period shown in the table below, but not beyond the date cover under this policy ends (please refer to section 4). We will do this without applying the *waiting period*. If you are *disabled* during the applicable payment period, no additional Totally Disabled Benefit or Partially Disabled Benefit will be paid in respect of that payment period for that disability.

Waiting period in the schedule	Payment period
30 days or less	6 months
60 days	4 months
90 days	3 months

The conditions and procedures covered under the Crisis Benefit are:

- *cancer**
- *chronic kidney (renal) failure**
- *coronary artery angioplasty – triple vessel**
- *coronary artery bypass surgery**
- *heart attack**
- *heart surgery (open)**
- *major organ transplant**
- *paralysis*
- *repair or replacement of aorta**
- *repair or replacement of valves**
- *stroke**

Unless this policy is a *replacement policy*, cover does not start under this policy for conditions or procedures marked * until the date 3 months after:

- the *commencement date*; or
- an increase to the *monthly benefit* (in respect of the increased portion only); or
- the most recent reinstatement of the policy.

This means that:

- the *cancer* must be first diagnosed;
- the *heart attack, chronic kidney (renal) failure* or *stroke* must first occur; or
- the disease or condition which the *major organ transplant, coronary artery angioplasty – triple vessel, coronary artery bypass surgery, heart surgery (open), repair or replacement of aorta, or repair or replacement of valves*, as the case may be, is intended to address, must be first diagnosed,

after cover for that condition or procedure (or increase in the *sum insured* in respect of the increased portion) starts.

The Policy Owner can choose to have this benefit paid either as:

- monthly payments in advance (if you die before the end of the payment period we will pay the remainder of the monthly payments and the Funeral Benefit); or
- a lump sum calculated by multiplying the *monthly benefit* by the number of applicable monthly payments. If you die before the end of the payment period, we will pay the Funeral Benefit.

If you suffer from another condition under this benefit during the payment period, payment for the earlier condition will cease and a new payment period (adjusted for any advance payments made in respect of the earlier condition) will commence in respect of the subsequent condition.

The Crisis Benefit is not paid in conjunction with any other benefit payment under this policy.

At the end of the applicable payment period, your eligibility for any other benefits will be determined under the appropriate terms of this policy.



6.2.4 Family Assist Benefit

If, while covered for the Extras Package, we paid the Totally Disabled Benefit for at least 30 days and you continue to be *totally disabled* and in our opinion need someone to look after you at home, we will pay for either:

- an immediate family member who was in a *full-time, gainful occupation* immediately before you became *totally disabled* to cease all paid employment to care for you; or
- a registered nurse (who is not an immediate family member) to care for you at home at least 3 times per week.

We will pay the lower of:

- \$2,100 a month (indexed by the *indexation factor*); and
- the *monthly benefit*,

for up to 6 months over the life of the policy.

Payments will accrue from the first day the requirements of this benefit are met and they will be made monthly in arrears.

6.2.5 Transportation Benefit

If, while covered for the Extras Package, you become *disabled* and require emergency transportation within New Zealand, we will reimburse the actual costs directly incurred for your transportation, other than expenses reimbursed from elsewhere.

We will pay up to 3 times the *monthly benefit*. This Benefit is payable only once in any 12 month period.

Payments will be made when the requirements of this benefit are met and after sufficient evidence is received.

6.2.6 Unemployment Benefit

This benefit does not apply if the schedule states that the Business Option has been chosen.

If, while covered for the Extras Package, you are *involuntarily unemployed* for reasons other than you being *disabled* we will waive the daily proportion of premiums for this policy monthly in arrears, from the first day of unemployment.

Unless cover has otherwise ended (please refer to section 4), this benefit will cease on the earlier of:

- the date you are no longer unemployed; or
- the date when a total of 6 months premium, including the premium waived during any earlier periods of unemployment, has been waived.

6.3 Booster Option

If the schedule states that the Booster Option was chosen and:

- the Totally Disabled Benefit is payable while you are covered for the Booster Option; or
- your schedule states that Indemnity or Agreed Value applies and the Partially Disabled Benefit is payable while you are covered for the Booster Option.

then for the first three months of your claim for either Indemnity, Loss of Earnings or Loss of Earnings Plus we will pay an additional 1/3rd of the Totally Disabled Benefit or Partially Disabled Benefit otherwise payable. For the first three months of your Agreed Value claim, we will pay an additional 1/5th of the Totally Disabled or Partially Disabled Benefit otherwise payable.

For example, if we pay an Indemnity benefit of \$1,500 for a month, the Booster Benefit will increase it by \$500 to \$2,000 for that month.

If you suffer from a new *disablement* while you are covered for the Booster Option, the Booster Option will apply again. If you suffer from a recurring *disability* (please refer to section 5.5) while you are covered for the Booster Option, the benefit will only apply to the extent the booster payments have not been paid for 3 months.

If the schedule states two waiting periods apply, the Booster Option is only payable on the shortest *waiting period*.

For example, if you have an Indemnity policy with a 30 day waiting period with a \$3,000 monthly benefit and a 90 day waiting period with a \$2,000 monthly benefit and you are eligible for the Booster option, we will increase the monthly benefit for the first 3 months from \$3,000 to \$4,000.

6.4 Increasing Claim Option

If the schedule states that the Increasing Claim Option was chosen, the *monthly benefit* will be increased at each anniversary of the *commencement date* while the Policy Owner is receiving payments (the Unemployment Benefit within the Extras Package is not considered to be a payment for this purpose) from us.

The increase will be the lower of the *indexation factor* and 10%.

When you are no longer *disabled*, the *monthly benefit* will not be reduced unless the Policy Owner asks for it to be reduced. The revised premium for the *monthly benefit* will be determined in accordance with section 8.

6.5 Mental Health Exclusion

If the schedule states that the Mental Health Exclusion applies, no benefit will be payable for *disability*, if the *disability* is directly or indirectly related to *mental illness*.

6.6 Needlestick Option

If the schedule states that the Needlestick Option applies and you become infected with:

- *Hepatitis B or C – occupationally acquired; or*
- *HIV – occupationally acquired,*

whilst working in your usual occupation we will pay the sum insured for the Needlestick Option.

The Inflation Adjustment Benefit (please refer to section 5.6) does not apply to the Needlestick Option.

7.0 Benefit limitations under this policy

7.1 When we will not pay a benefit

A benefit will not be paid if the event giving rise to the claim is caused directly or indirectly by:

- a self-inflicted act, whether sane or insane;
- your participation in any *criminal activity*; or
- pregnancy, miscarriage or childbirth, unless you are *disabled* for more than 3 months from the later of the date of your pregnancy finishes and your *disablement* commences (the later date being the date we will consider your *disablement* to have started).

We will not pay for any period while you are in jail or home detention.

7.2 When we will limit a benefit

- The amount payable under the Totally Disabled Benefit or Partially Disabled Benefit, as applicable, ("benefit") will be calculated to reflect any *other income* and *monthly income* you or the Policy Owner receives or is entitled to receive.
- If you suffer an *injury* for which cover is provided under the Injury Prevention, Rehabilitation and Compensation Act 2001 (or replacement legislation), you must use your best endeavours to pursue any entitlement you have under that Act. If you do not, in our opinion, use your best endeavours then we will consider you to have received your maximum entitlement (based on the contractual relationship you have with the Accident Compensation Corporation or any body which replaces it or in the absence of any contractual relationship then based on your statutory rights) irrespective of the amount you actually receive.
- Every arrangement entered into shall be void for the purposes of this policy if its purpose or effect is to alter *pre-disability income*, *other income*, or *monthly income while disabled*. Where the arrangement has two or more purposes or effects and one of its purposes or effects is to alter *pre-disability income*, *other income* or *monthly income while disabled*, then regardless of whether another purpose or effect relates to ordinary business or family dealings the arrangement shall be void for the purposes of this policy. Where an arrangement is void your benefits shall be adjusted in such manner as we consider appropriate so as to counteract any advantage obtained by you from the arrangement for the purposes of this policy.
- For the purpose of setting the level of *monthly benefit* at any protection start date and calculating *pre-disability income* we may take into account income you earn or are entitled to receive from any business partnership, family trust, company or other entity. We may adjust your benefits in such a manner as we consider appropriate if we consider that you are not receiving while *disabled* a reasonable level of income from any business partnership, trust company or other entity having regard to your level of *pre-disability income* from that source, whether because of retention of income in the business partnership, trust, company or other entity or for any other reason.

7.3 When we will not pay a Needlestick Benefit

Cover for the Needlestick Option, if provided under this policy, will not apply to:

- HIV – *occupationally acquired*, where a cure for HIV or Acquired Immune Deficiency Syndrome (AIDS) has become available prior to the accident or malicious act giving rise to the claim; or
- Hepatitis B or C – *occupationally acquired* where a cure for Hepatitis B or C has become available prior to the accident or malicious act giving rise to the claim.

8.0 Paying for this policy

When we refer to the premiums payable under the policy, we mean the total amount payable under the policy; that is, the total of the policy premium, the policy fee and any Government taxes or charges not included in the premium rates.

8.1 Payment of premiums

The Policy Owner must pay premiums on a monthly, quarterly, half-yearly or yearly basis. The payment frequency applying when the policy starts is shown in the schedule. The Policy Owner may select some other available payment frequency, or payment method, if premium payments are up to date, by requesting the change in writing.

The amount of premium varies depending on the payment frequency chosen. For example, the premium for paying yearly in advance is less than a year's premium paid on a monthly basis.

The Policy Owner must pay premiums in advance on or before the due date. The due date is:

- the same date in the month the premium is payable as the *commencement date*; or
- if the *commencement date* is the 29th, 30th or 31st, and there is no such date in the month the premium is payable, the due date is the last day of that month.

If we have been asked to debit premium payments to a bank account or credit card, we will do this on a business day. As this may not always be the due date the Policy Owner should maintain sufficient credit on the business day before, and after, the due date.

8.2 Calculating the Premium

We will recalculate the policy premium on each anniversary of the commencement date and notify the Policy Owner of the new policy premium. We will base the new policy premium on:

- our then current stepped premium rates for Income Protection;
- your sex, occupation, smoking status and any agreed premium loading factors;
- the then *monthly benefit*; and
- your age on your next birthday after the recalculation.

8.3 Changes to the policy fee

A policy fee may be payable under the Income Protection policy.

The policy fee applying when the policy commenced is stated in the schedule.

Asteron can alter the Income Protection policy fee by giving 30 days notice in writing to the last known address of the Policy Owner(s) or by public notice in a main daily newspaper. Changes to policy fees take effect from the next anniversary of the *commencement date*.

8.4 Government taxes and charges

We will pass onto the Policy Owner any Government taxes and charges which we incur in relation to this policy and which are not included in the premium rates.

At present, our understanding of the tax laws is that the premium for the Totally Disabled and Partially Disabled Benefits for Indemnity (sections 5.1.1 and 5.2.1), Loss of Earnings (sections 5.1.2 and 5.2.2) and Loss of Earnings Plus (sections 5.1.4 and 5.2.4) is tax deductible and you are liable to pay tax on any benefit received under this policy. Our understanding of the tax laws is that the premium for the Totally Disabled and Partially Disabled Benefits for Agreed Value (sections 5.1.3 and 5.2.3) is not tax deductible and you are not liable to pay tax on any benefit received under the policy.

This tax treatment relates to our interpretation of the current law on the date this document was written, and may be subject to change.

If the benefit under the Totally or Partially Disabled Benefits for Indemnity, Loss of Earnings and Loss of Earnings Plus is not taxable as income then we will reduce the benefit payable by the amount of income tax that we consider would apply if the benefit was taxable as income.

If the Totally or Partially Disabled Benefits under Agreed Value is taxable and a benefit is not being paid or entitled to be paid, then the Policy Owner can apply to increase your *monthly benefit* up to a level agreed by us to reflect the fact that your benefit will now be taxable.

You are required to tell us if your *disability* benefits (other than Agreed Value benefits) under this policy are not assessable and to provide us with any evidence that we request to confirm this.

8.5 Premiums may also change following a review of our rates

Periodically we review our rates for the Income Protection policy. Following the review we may increase or decrease our standard rates for Income Protection. If we change our standard rates for Income Protection, the policy premium under this policy will change accordingly.

8.6 We may cancel the policy if the premium is not paid

If a premium payable under this policy is not paid, we will send the Policy Owner a notice specifying a date on which all cover will cease if the payment is not made. If we have not received the payment by that date we may cancel this policy by giving written notice of cancellation to the Policy Owner.

We may (but do not guarantee that we will) reinstate the policy within 12 months of cancellation if the Policy Owner asks us to, in writing, and complies with any terms we impose.

9.0 Claiming under this policy

9.1 General

We must be satisfied that the claim conditions outlined in this policy document are met before any payments under the policy can be made.

Continuing payment of benefits under the policy will only be considered upon:

- ongoing claims requirements being met by the Policy Owner; and
- relevant legislative and common law requirements being adhered to.

9.2 Advice of a claim

We must be advised of a claim as soon as possible after the event giving rise to the claim.

We may reduce the amount we pay or may refuse to pay the claim if:

- we are not told of the event giving rise to the claim within 30 days; and
- we are disadvantaged because of the delay.

For example we may need you to be examined by a doctor of our choice to assist with our assessment of your claim. If there is a delay in telling us about the event on which the claim is based, we are unable to schedule a medical examination which may disadvantage us in assessing the claim. If that occurs, we may be entitled to not make payments for any period before we are told of your *disablement*, delay the start of the *waiting period*, or take other action which we are legally entitled to take.

9.3 Completing our claim forms

You and your *registered doctor* must complete our initial claim form. Throughout the duration of your claim you and your *registered doctor* will be required to complete additional monthly claim forms so that we are kept informed about your condition. We will not pay for the cost of completing these forms.

We will always require proof of income (including income from any business, partnership, trust, company or other entity you have control of) to determine any benefit payable. Proof of income we will require may include:

- pay slips or a letter from your employer confirming your income;
- business and personal tax returns and assessment notices; and
- financial accounts (for example profit and loss accounts, balance sheets, etc).

9.4 Payment of benefits

Entitlement to benefits is subject to the completion and return of monthly claim forms. Unless otherwise stated, benefits will be paid monthly in arrears.

If the benefit is payable for less than a month, the benefit will be calculated as 1/30th of the benefit for each day the benefit is payable during that month.



9.5 Claim requirements

Payments under this policy will commence once:

- (a) we have received the following requirements (in a manner that is satisfactory to us both in form and content):
- properly completed claim form(s);
 - proof of the event or condition for which the claim is being made;
 - proof of age (unless previously provided);
 - proof of the payment where a claim is made for reimbursement;
 - where a claim is being made for a condition covered under the Crisis Benefit:
 - proof of the diagnosis, recommendation or prognosis giving rise to the claim by a *registered doctor* who is an appropriate specialist medical practitioner; and
 - copies of all investigations performed which may include, but is not limited to, clinical, radiological, histological and laboratory evidence; and
- (b) we have confirmed you are eligible for a payment.

9.5.1 Additional claim requirements

Prior to making payments under this policy or in the course of assessing your claim we may ask you to provide us with additional information relating to:

- your medical history;
- your business or personal income;
- your business or personal expenses;
- your activities;
- other insurance policies and claims;
- other information Asteron requires to assess entitlements under this policy for example company shareholder records, Inland Revenue assessments.

Any costs associated with these additional claim requirements must be met by the Policy Owner.

We may also require the following further requirements at claim time:

- we may require you to be examined by a medical practitioner or other health professional of our choice;

- we may require an accountant of our choice to verify income and/or expenses prior to and during your disablement. This may involve a financial audit;
- we may arrange to meet with you and discuss the circumstances surrounding your claim;
- we may require information surrounding your employment circumstances; and
- we may require a signed authority to enable us to obtain information relevant to your claim from Government departments or other organisations such as Regional Health Authorities or other medical practitioners.

We will meet any costs associated with these further claim requirements.

If you fail to provide us with any information we request or fail to comply with any reasonable requirements under this clause 9.5.1 within 60 days of us making the relevant request, Asteron may cease or decline to commence payments. If you fail to provide us with any such information or comply with any such requirements within 120 days of us making the relevant request, Asteron may end your claim.

If your *disablement* is potentially covered under the Injury Prevention, Rehabilitation, and Compensation Act 2001 (or any replacement) legislation you must use best endeavours to pursue any entitlement you may have with the Accident Compensation Corporation so as to maximise any benefit payable by that organisation.

9.6 Incorrect or incomplete information

If you or the Policy Owner provide us with any incorrect information, or have failed to provide any information, which we would have considered material to the claim, we may decline or cancel any claim made in respect of the disability or event in question, either in whole or in part, and any related claim.

We may also exercise any legal rights we have regarding cancellation or avoidance of this policy.

10.0 Commonly used words or expressions

bed confinement and **bed confined** is when it is medically necessary for you to remain in or near a bed for a substantial part of each day. It is also necessary for you to be under the continuous care of a registered nurse, other than a member of your immediate family.

If confinement is not at your usual place of residence there must be reasonable grounds for this.

benefit period is the maximum period of time (stated on the schedule) for which we will pay any benefits to you when you are *disabled*.

cancer means the presence of one or more malignant tumours characterized by:

- the uncontrolled growth and spread of malignant cells; and
- the invasion and destruction of normal tissue.

The tumour must also:

- require treatment by surgery, radiotherapy, chemotherapy, biological response modifiers, or any other major treatment, or
- be totally incurable.

The following tumours are included:

Malignant lymphoma, Hodgkin's Disease, leukemia, malignant bone marrow disorders and melanomas (greater than or equal to Clark level 3, or greater than or equal to 1.5mm depth of invasion as determined by histological examination).

Prostatic cancers with a Gleason score 6 or more.

We also cover skin cancers that have evidence of metastases.

Carcinoma in situ of the breast is included if the entire breast is removed specifically to arrest the spread of malignancy, and this procedure is the appropriate and necessary treatment.

The following tumours are excluded:

- melanomas which are less than 1.5mm depth of invasion and less than Clark level 3 as determined by histological examination;
- all other types of skin cancers unless there is evidence of metastases;
- prostatic cancers which are histologically described as less than or equal to Gleason score 5 or are of another equivalent or lesser classification; and

- tumours which are histologically described as pre-malignant or show the malignant changes of 'carcinoma in situ'.

chronic kidney (renal) failure means end stage renal failure presenting as chronic irreversible failure of the function of both kidneys, as a result of which regular renal dialysis is instituted or transplantation performed.

coronary artery angioplasty – triple vessel means undergoing angioplasty, (with or without insertion of a stent) to three or more coronary arteries within the same procedure to treat coronary artery disease.

coronary artery bypass surgery means bypass grafting performed to correct or treat coronary artery disease.

criminal activity means any crime for which you are convicted where you receive a jail sentence or sentence of home detention.

disabled, disability or disablement means *totally disabled* or *partially disabled*.

estimated tax payable means the actual amount of tax paid on the income received or, when this information is not available, our estimate of the amount of tax payable had this income been received each month over 12 consecutive months. No adjustments will be made to any benefit for any discrepancy between the actual tax paid and our estimate.

farming occupation means being actively engaged in raising, or managing the raising of, crops or animals for commercial purposes.

full-time means you are working at least 30 hours per week.

gainful occupation means:

- you are an employee, working for salary, wages, commission or other remuneration; or
- you are self-employed, working in a business or professional practice in a way that is capable of generating income for the business or professional practice.

heart attack means the death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area. The basis for diagnosis of a heart attack will be:

- confirmatory new electrocardiogram (ECG) changes indicative of ischaemia and;
- a diagnostic rise and fall (other than as a result of cardiac or coronary intervention) in **either**:
 - Troponin I in excess of 2.0ug/L; or
 - Troponin T in excess of 0.6ug/L; or
 - cardiac enzyme CK-MB.

In addition, if the above criteria is not met, we will pay a claim based on evidence satisfactory to us that you have been diagnosed as having suffered a myocardial infarct resulting in:

- (a) new pathological Q waves; or
- (b) a permanent reduction in the left ventricular ejection fraction to less than 50%.

heart surgery (open) means 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 is specifically excluded.

Hepatitis B or C – occupationally acquired means infection with Hepatitis B or C where the infection is acquired as a result of:

- an accident arising out of your normal occupation; or
- a malicious act of another person or persons arising out of your normal occupation; and
- proof of new Hepatitis B or C infection within 6 months of the accident or malicious act.

Any incident giving rise to a potential claim must:

- be reported to the relevant authority or employer within 7 days of the incident;
- be reported to us with proof of the incident within 7 days of the incident; and
- be supported by a negative Hepatitis B or C test taken within 7 days of the incident.

Hepatitis B or C infection transmitted by any other means including sexual activity or recreational intravenous drug use is excluded.

HIV – medically acquired is the accidental infection with the Human Immunodeficiency Virus (HIV) which we believe, on the balance of probabilities, arose from one of the following medically necessary events which must have occurred to you, in New Zealand or Australia by a recognised and registered health professional:

- a blood transfusion;
- transfusion with blood products;
- organ transplant to you;
- assisted reproductive techniques; or
- a medical procedure or operation performed by a doctor.

Notification and proof of the incident will be required via a statement from a District Health Board or equivalent statutory body that the infection was medically acquired. HIV infection transmitted, other than occupationally acquired as defined below, by any other means including sexual activity or recreational intravenous drug use is excluded.

HIV – occupationally acquired means infection with the Human Immunodeficiency Virus (HIV) where the HIV was acquired as a result of:

- an accident arising out of your normal occupation; or
- a malicious act of another person or persons arising out of your normal occupation; and
- sero-conversion to HIV occurs within 6 months of the accident or malicious act.

Any incident giving rise to a potential claim must:

- be reported to the relevant authority or employer within 7 days of the incident;
- be reported to us with proof of the incident within 7 days of the incident; and
- be supported by a negative HIV Antibody test taken within 7 days of the incident.

HIV infection transmitted, other than medically acquired, by any other means including sexual activity or recreational intravenous drug use is excluded.

immediate family members are considered by us as a person's:

- spouse;
- civil union partner;
- defacto spouse (including same sex partner);
- fiancé;
- children;
- parents; or
- siblings.

important income producing duties means those duties which we reasonably consider to be primarily essential to producing your *monthly income*.

indexation factor is the percentage change in the Consumers Price Index (CPI) which is:

- published by Statistics New Zealand or any body which succeeds it; and
- in respect of the 12 month period finishing on 31 March.

It will be determined at 31 May each year and applied from 1 August for the following 12 months. If the CPI is not published by 31 May, the indexation factor will be calculated based upon a retail price index which we consider most nearly replaces it. If the percentage change in the CPI, or any substitute for it is negative, the indexation factor will be taken as zero.

injury means physical *injury* caused solely and directly by an accident while cover for the applicable benefit was in force under this policy.

involuntarily unemployed and involuntary unemployment means:

- you did not voluntarily cease employment;
- we do not consider you to be self employed;
- you have registered with Work and Income New Zealand, or its equivalent at the time of your *disablement*, as being unemployed (or with an appropriate recruitment organisation that we approve); and

- the unemployment did not occur within 6 months of:
 - the start of the policy; or
 - the most recent reinstatement of the policy.

major organ transplant means the organ transplant from a human donor to you of one or more of the following: kidney, heart, liver, lung, pancreas, small bowel and bone marrow.

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

mental illness means a *disability* that occurs directly or indirectly by any mental disorder including, but not limited to, any of the following:

- Anxiety disorders,
- Chronic fatigue syndrome, fatigue or exhaustion,
- Depression,
- Stress,
- Fibromyalgia,
- Drug or alcohol abuse,
- Psychiatric complications of physical disorders,
- Behavioural disorders, or
- Any other mental or functional nervous disorder.

monthly benefit means the amount stated in the schedule as adjusted from time to time under the policy or by agreement between the Policy Owner and us.

monthly income is the income earned each month by your own personal exertion, after deduction of any expenses incurred in earning that income but before tax.

Your monthly income includes the following:

- salary;
- wages;
- packaged fringe benefits;
- commissions;
- bonuses;
- overtime payments; and
- superannuation contributions.

If you are self employed, for example as a sole trader or as a partner in a business, monthly income also includes your share of the net profit (or loss) of the business (after deduction of all business expenses).

Business expenses will not include the cost of any person employed or otherwise contracted to perform the duties you would otherwise have performed, or any costs incurred in expanding the tasks of any existing employee or contractor to include those duties.

Monthly income does not include:

- unearned income such as investment income, interest, rental income or proceeds from the sale of assets; and
- royalties.

If there is a delay between the time you generated your monthly income and when you actually receive it, we will deem you to have received it in the month you actually generated the income.

other income means:

- 1) any payments, entitlements or benefits in relation to the *sickness or injury* causing your *disablement*, including payments by way of:
 - a) sick leave entitlements;
 - b) disability compensation or other entitlements received from the Accident Compensation Corporation or any other form of compulsory insurance scheme for loss of income; or
 - c) other disability, group sickness or accident insurance cover, including cover under a mortgage replacement policy or through a superannuation fund.
- 2) income you receive or are entitled to receive from any business partnership, family trust or company not including investment income or payments under this policy in respect of the Retraining and Rehabilitation Benefit or the Extras Package.
- 3) Government superannuation payments (if the payment period is *age 70*).

paralysis means the total and permanent loss of use of one or more limbs resulting from spinal cord injury or disease or, from brain injury or disease.

Included in this definition are Paraplegia, Tetraplegia, Quadriplegia, Diplegia, and Hemiplegia.

partial disability or **partially disabled** – please refer to section 5.

pre-disability income means:

- (a) If the schedule states Agreed Value or Loss of Earnings or Loss of Earnings Plus applies, your pre-disability income will be calculated based on the highest average *monthly income* for any 12 consecutive months during the 3 years before the start of your *waiting period*.
- (b) If the schedule states Indemnity applies, your pre-disability income will be calculated based on your average *monthly income* during the 12 months before the start of your *waiting period*.

For the purposes of calculating your *pre-disability income*, the 3 year period in (a) and the 12 month period in (b) will be extended by any period during which you receive a *Totally Disabled* or *Partially Disabled* benefit from us under the policy, and any such period will be ignored and not brought into account when applying the relevant formula.

In addition to (a) and (b) when you are *disabled*:

- (i) if the schedule states the Increasing Claim Option was chosen, this figure will be increased every 12 months following the date you become *disabled* by the lower of the *indexation factor* and 10%;
- (ii) if you are *involuntarily unemployed* during any consecutive 12 month period, we will consider the *monthly income* for the first month during this period of *involuntary unemployment* to be the greater of your *monthly income* in that month or the *monthly income* from the month immediately preceding the start of your *involuntary unemployment*; and
- (iii) if you become *disabled* while you are on maternity or long service or sabbatical leave and the

schedule states that the policy is an Indemnity Loss of Earnings or Loss Earnings Plus contract, the calculation of your *pre-disability income* will exclude the months when you were on maternity, sabbatical or long service leave.

In addition, if we do not consider you to be self employed (for example as a sole trader or as a partner in a business), for the purposes of calculating your pre-disability income, a 12 consecutive month period from (a) and the 12 month period from (b) will be assessed as the highest of:

- (i) your average *monthly income* in that 12 month period; or
- (ii) 12 times your monthly income at the *commencement date* or at the reinstatement date of your policy if the *commencement date* or reinstatement date was during the 3 years before the start of your *waiting period* and the schedule states that Loss of Earnings, Agreed Value or Loss of Earnings Plus applies. If the schedule states that Indemnity applies, then the *commencement date* or reinstatement date of your policy must have occurred during the 12 months before the start of your *waiting period*; or
- (iii) 12 times your *monthly income* earned in the month before the start of your *waiting period* if an increase (excluding increases under the Inflation Adjustment Benefit) in your *monthly benefit* occurred in the 12 months before the start of your *waiting period*.

pre-existing condition is a *sickness* or *injury* for which:

- symptoms existed that would cause a reasonable and prudent person to seek diagnosis, care or treatment from a *registered doctor* or other healthcare professional which may include but is not limited to the following: physiotherapist, psychologist or chiropractor; or
- medical advice or treatment was recommended by, or received from, a *registered doctor* or other healthcare professional which may include but is not limited to the following: physiotherapist, psychologist or chiropractor.

registered doctor is a doctor who is legally qualified and properly registered in either New Zealand or Australia. The doctor cannot be:

- you or the Policy Owner;
- a business partner of either you or the Policy Owner; or
- any *immediate family members* or person who is otherwise related to you or the Policy Owner.

Asteron reserves the right to accept the advice of a medical practitioner practising outside New Zealand or Australia. If practising outside New Zealand or Australia, the medical practitioner must have qualifications equivalent to New Zealand or Australian standards.

repair or replacement of aorta means surgery to correct any narrowing, dissection, or aneurysm of the thoracic or abdominal aorta. Repair via catheter surgery, minimally invasive, 'keyhole' or similar techniques is specifically excluded.

repair or replacement of valves means surgery to replace or repair a cardiac valve or valves as a consequence of heart valve defects or abnormalities.

Repair via catheter surgery, minimally invasive, 'keyhole' or similar techniques is specifically excluded.

replacement employee means someone employed to perform duties you would otherwise have performed. A replacement employee must be a person who is neither already employed by you, nor a partner in their business who could, by increasing their workload, carry out your normal duties or a person related to you.

replacement policy in respect of cover on your life, is a policy which is effected to replace a previous policy on your life which:

- has been in force for at least 3 months before the *commencement date*; and
- included a benefit which offers the same or similar terms as our Crisis Benefit and for a benefit amount and payment period which are the same or greater than the *monthly benefit* and payment period under this policy.

sickness is an illness or disease you suffer while cover for the applicable benefit was in force under this policy.

significant cognitive impairment means a permanent deterioration or loss of intellectual capacity that requires you to be under continual care and supervision by someone else for at least 4 hours per day.

Significant cognitive impairment which is directly or indirectly caused by alcohol or drug abuse is excluded.

stroke means any cerebrovascular accident or incident producing permanent neurological deficit.

This requires clear evidence on a CT, MRI or similar scan that a stroke has occurred and evidence of:

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

Cerebral symptoms due to transient ischaemic attacks, cerebral injury resulting from trauma or hypoxia, and vascular disease affecting the eye or optic nerve or vestibular functions are excluded.

total disability or **totally disabled** – please refer to section 5.

usual occupation is the occupation in which you were most recently engaged as your principal source of income from personal exertion in the 12 months immediately before becoming *disabled*. However, if there is no occupation that has involved you in more than 10 hours of personal exertion in any week in the 12 months immediately prior to becoming *disabled*, your usual occupation for the purposes of this policy will be deemed to be any occupation for which you are reasonably suited by education, training or experience. The 12 month period referred to in this definition will be extended by any period of sabbatical, long service or maternity leave of which all or a part falls within the 12 month period immediately prior to you becoming *disabled*.

waiting period is the period of time stated in the schedule. The waiting period will not start before you consult a *registered doctor* for the *sickness* or *injury* giving rise to the relevant claim.

