

Here are the details of your

Life Cover Policy



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WriteMark™
Plain Language Standard

As part of our commitment to you, this document meets the WriteMark Plain Language Standard. The WriteMark is a quality mark awarded to documents that achieve a high standard of plain language.

We realise it's a lot to take in, but take the time to read it now, to ensure you understand the terms, conditions and exclusions.

Reading and understanding your policy

Life Cover pays out a tax-free lump sum if you die or are diagnosed with a terminal illness. Plus \$15,000 can be paid early to help with funeral costs. This policy wording contains important information about the policy. For example, it explains what benefits will be paid, what exclusions apply and how to make a claim.

Please carefully read this policy wording and the separate policy summary that goes with it.

The policy summary means the most recent policy summary we have sent you, which includes all of the following:

- the person insured
- the policy owner
- the cover amount
- the date cover starts
- the date cover ends.

Once you have read and understood this policy wording and your policy summary, please keep them in a safe place. You will need them to make a claim.

This policy has no cash value, so we will not pay any money if you decide to cancel the policy.

AA Life policies are provided and underwritten by Asteron Life Limited.

Please contact us if you have any questions or need more information.

How to contact us

For sales, service and general queries
call us on **0800 874 444**

For claims enquiries:

- Call us on **0800 737 101**
- Email us at **claims@asteronlife.co.nz**

For more information go to aalife.co.nz

We have used the headings in this policy wording to help guide you. These headings are purely descriptive in nature. You should not rely on headings to interpret the policy.

We also use the following common terms throughout this policy document that have the below meanings:

- 'we', 'us' or 'our' means Asteron Life Limited
- 'you' or 'your' means the person insured or the policy owner, depending on the context.

Cancelling your policy

You have a cooling-off period if you change your mind

We provide you with a 30-day cooling-off period.

You can cancel your policy within 30 days from the day your policy started, as long as you have not made a claim. We will refund you the full amount of any premium paid.

If you choose to cancel your policy after the cooling-off period

You may choose to cancel your policy at any time, unless you have made a claim.

If you cancel your policy outside the cooling-off period and you have not made a claim, we will refund you any amount we owe after the cancellation date.

If you have a concern

We value our customers and aim to deliver the best service possible. We also appreciate and encourage your feedback – the good and the bad. If you're not satisfied with one of our policies, our service or a decision we make, please tell us. Often a quick conversation with one of our representatives can help resolve things.

If we can't agree or if you are still unhappy, please let us know. We can explain our complaints procedure to you and we have a Customer Resolution Service to help you if needed.

Alternatively, write to us at:

The Complaints Officer
Asteron Life Limited
P O Box 894
Wellington 6140

Resolving complaints

At the time this policy is issued, Asteron Life is part of the Insurance & Financial Services Ombudsman Scheme (IFSO Scheme). The IFSO Scheme means that policy owners are provided with a free complaints resolution service. If you're not satisfied that we've resolved your complaint, you may refer it to the Insurance & Financial Services Ombudsman. They will respond if the policy and issue is within their jurisdiction.

Their contact details are:

Insurance & Financial Ombudsman
P O Box 10-845
Wellington 6143

Phone: **0800 888 202**

Fax: **04 499 7614**

Website: **www.ifso.nz**

Cover start and end

Your cover under this policy begins on the date shown on your policy summary or the date we restart your policy.

Your cover ends on the earliest of the following:

- a terminal illness claim being accepted
- the date your cover ends shown on your policy summary
- the date you cancel your policy
- 30 days after you miss a premium payment.

We will not pay benefits for events that occur outside your cover period.

If we stop your policy because of an unpaid premium, you can apply to us to restart your policy. You must apply within 12 months of your policy ending. We will advise you of the conditions for restarting your policy and will tell you in writing if and when it is restarted.

Death or Terminal Illness Benefit

We will pay a benefit equal to the cover amount if either of the following occur:

- you die
- you are diagnosed as having a terminal illness.

A "Terminal Illness" is one which, in the opinion of a doctor approved by us, will result in death within 12 months.

You must have died or been diagnosed during your cover period. The benefit will be the cover amount that applies at the date of death or diagnosis.

Under this policy we will pay either:

- the terminal illness benefit
- the death benefit less any funeral support benefit already paid.

Funeral Support Benefit

The Funeral Support Benefit helps you deal with the immediate expenses associated with a death. We will pay a \$15,000 funeral support benefit when we receive written notification of your death if you die during your cover period. We will deduct this amount from any later payment of the death benefit. We will only make one payment for the funeral support benefit for each person insured under any life insurance policies we issue.

Life Event Increase Benefit

You can use the Life Event Increase Benefit to increase the cover amount, without you needing to supply updated medical information. You can apply for this benefit when you experience any of the life events shown in the table below, provided that the event occurs before your 60th birthday.

Event	Evidence required
Marriage You decide to permanently live with someone in the nature of marriage or civil union.	Official copy of your marriage or civil union certificate, or you can supply some other form of evidence we accept as legitimate that confirms the permanent nature of your relationship. You cannot apply for more than one increase if you marry or enter into a defacto relationship with the same person more than once.
Divorce You divorce or dissolve a registered civil union.	Certified copy of the dissolution order as evidence. You cannot apply for more than one increase if you divorce or separate from a marriage or de facto relationship more than once with the same person.
Death of a spouse Death of your spouse or partner.	Certified copy of the death certificate for your spouse or partner.
Children You or your spouse or partner gives birth to a child.	Official copy of the birth certificate, which names you as a parent.
You adopt a child.	Certified copy of the adoption certificate, which names you as an adopting parent.
Change in salary Your annual salary increases by at least \$5,000. Annual salary means regular remuneration, excluding extra income such as, but not limited to, bonuses or overtime payments.	Sufficient evidence confirming the salary increase; for example, payslips or a letter from your employer.
Home loan You take out or increase a loan of at least \$25,000 for any of the following solely residential properties: • your primary residence • a new residential investment property • a holiday home • a bare block of land zoned as residential.	Certified copy of the mortgage documents.
Becoming a carer Becoming a carer for the first time.	A statutory declaration from the person being cared for, or the dependant's legal representative. This statutory declaration must detail the nature of the dependency. It must also document the close personal relationship held with you, confirm that the dependant permanently resides with you and confirm that you are personally providing financial and domestic support for the dependant. You'll also need to supply a statement from the dependant's doctor verifying the need for and nature of the care required, and that such care is required for at least six months.

When the Life Event Increase Benefit does not apply

The Life Event Increase Benefit does not apply in either of the following circumstances:

- you have been diagnosed as having a terminal illness
- you have reached your 60th birthday.

Maximum increase

The maximum increase per life event is the lowest of:

- 25% of the original or current cover amount (whichever is the lesser)
- \$200,000
- five times your increase in salary (if applicable)
- the loan amount or the amount of the loan increase (if applicable).

The total of all increases to the cover amount using the Life Event Increase Benefit cannot exceed the cover amount on the date your cover starts.

Qualifying period

You can only use the Life Event Increase Benefit once in any 12 month period.

To use the Life Event Increase Benefit, you must send us a written request within one of the following timeframes:

- 180 days after the life event
- 30 days either side of your policy anniversary immediately following the life event. E.g. You take a home loan in June 2019 and your next policy anniversary is 1 May 2020. You can apply for the Life Event Increase any time between 1 April 2020 and 31 May 2020.

With your written request, you must include evidence of the life event.

We'll increase the premium amount to reflect the increase in cover.

All terms that apply to the cover on which you are requesting the increase (for example premium loadings) will also apply to the increased portion of cover. We'll start the increased cover on the date we confirm the new cover amount to you, as long as you pay the additional premium.

Premium Freeze Benefit

You can freeze your premiums from any anniversary of the start date of your policy. This means that your premiums will stay the same each year, instead of increasing with age.

If you freeze your premiums, we will reduce your cover amount to a level that your fixed premium is able to buy. This amount of cover is based on your current age, gender, smoking status, and health status at the time of application.

You may unfreeze your premiums from the next anniversary of your policy starting.

Premium Holiday Benefit

You can apply for a premium holiday and, if we accept, we will waive premiums for a maximum of six months from

the time you tell us in writing.

A Premium Holiday Benefit is only available if you have paid premiums and the policy has been continuously in force for at least six consecutive months, and one or more of the following apply to the insured person:

- they become unemployed
- they are made bankrupt
- they experience reasonable financial hardship (as determined at our sole discretion).

A maximum of six months premium holiday is available during the term of the policy. Once accepted, the insured person will continue to be covered and you will be able to claim during the premium holiday period.

A premium holiday will apply to all eligible covers and associated benefits.

When the premium holiday finishes, you will need to begin paying premiums again. Otherwise, we will cancel the cover.

How the cover amount is calculated

We'll show the cover amount on your policy summary when the policy starts. On each anniversary of the date your cover starts, we will increase the cover amount up to a maximum of \$1,000,000. We'll apply this maximum amount to the total amount purchased across any policy that pays out on death i.e. Life Cover, Accidental Death Cover and Funeral Cover.

We will increase the cover amount by either one of the following:

- the same percentage as the increase in the Consumers Price Index (CPI) for the year ending on the previous 31 March to a maximum of 10%
- a minimum of 2% if the CPI is less than 2%.

The CPI is published by Statistics New Zealand (or any body that replaces it) using the 12-month period finishing on 31 March.

We apply the CPI rate annually on each anniversary of the date your cover starts following 1 August. If the CPI is not published by 31 May, we will calculate it using a retail price index that we consider most closely replaces it.

We will write to you 28 days before your anniversary date of your policy to tell you about changes to your cover amount and premium amount.

If you don't want your policy adjusted by CPI you can tell us before your anniversary date.

If you decline this increase in any given year, we'll continue to offer you increases on each following anniversary until you're no longer eligible for them.

Exclusions that apply to your cover

We will not pay claims if your death occurs as a result of any of the following:

- suicide, whether you are sane or insane, within 13 months of the date your cover starts or restarts

- suicide, whether you are sane or insane, within 13 months of the date of an increase to the cover amount, for the extra amount only
- anything for which you received and accepted an exclusion as a result of answering the Health and Lifestyle questions when applying for the cover.

Limits on what we will pay

You can take out more than one life insurance policy issued by Asteron Life. The total maximum combined cover we will issue you under any life insurance policies is \$1,000,000.

If you make a claim and we discover that the combined cover issued to you is more than this amount, we will only pay up to a maximum of \$1,000,000 in total for all policies. If this happens, we'll also calculate and refund premiums paid on cover above \$1,000,000.

How to claim

To make a claim, contact Asteron Life on:

- phone: **0800 737 101**
- email: **claims@asteronlife.co.nz**
- mail: **Asteron Life Claims, PO Box 894, Wellington 6140**

We will tell you what evidence we require. You or your estate are responsible for the cost of providing this evidence.

When making a claim for terminal illness we may require you to have one or more medical examinations at our expense.

We will pay you when we are satisfied the claim is legal and valid and we have received all the following:

- properly completed claim form(s)
- proof of your death if a death claim has been made
- acceptable evidence of the identity and legal title of the person making the claim
- any other information we need to assess the claim

Who we will pay benefits to

If you have chosen to own a Life Cover policy jointly, we will pay the benefits to any surviving policy owner. We will usually make payment within 48 hours of the claim being accepted. If you do not have a joint owner, we will make the payment to you or your estate.

If you have chosen to add nominated beneficiaries to this policy we will make all benefit payments to the nominated beneficiaries regardless of who the policy owners are.

Information you provide must be correct

We have issued this policy in good faith believing that the policy owner and the person insured have done both of the following:

- completely and truthfully answered all our questions

- told us any information that would influence our decision to offer insurance, increase benefits or restart the policy.

If we find that you gave us any incorrect information at any time or you have withheld information, we can cancel the policy from the beginning or reduce the benefits.

If we find that your date of birth is wrong on the policy summary, we can 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.

If we find that your smoker status is wrong on the policy summary, we can adjust the benefits provided under the policy to reflect your correct smoker status and actual premiums paid.

Premium information

The premium amount is set out in your policy summary and must be paid in New Zealand dollars by a payment method we approve.

We will recalculate the premium amount on each anniversary of the date your cover starts or restarts and notify you of the new premium amount. We will base the new premium amount on all of the following:

- our premium rates at that time
- your sex and smoking status
- the cover amount at that time
- your age on your next birthday after the recalculation
- any premium loadings or discounts that were applied to your policy at the date your cover started.

We will give you 28 days written notice of any change to your premium amount, posted to your last known physical, postal or email address. We consider you've received this notice on the 7th day after we send it.

You must pay premiums until the policy ends.

Other information

You're covered anywhere in the world

This policy provides worldwide cover, 24 hours a day.

Governing law

This policy will be interpreted according to New Zealand law.

Statutory fund

The statutory fund relevant to your policy is Asteron Life Limited's Statutory Fund Number One.

General

When your policy starts Asteron Life will pay a commission to AA Life.

We're here to help you

Call us anytime

0800 874 444

Visit us online

aalife.co.nz

Or come in and see us at your nearest

AA Centre



Telephone 0800 874 444