

AA Life Insurance



Here are the details of your
Life Cover

Contents

| | |
|---|---|
| Reading and understanding your policy | 3 |
| Words with specific meaning | 3 |
| Life Cover start and end | 3 |
| Death Benefit | 3 |
| Terminal Illness Benefit | 3 |
| Funeral Support Benefit | 3 |
| Life Event Increase Benefit | 4 |
| When the Life Event Increase Benefit does not apply | 5 |
| Maximum increase | 5 |
| Qualifying period | 5 |
| Premium Freeze Benefit | 5 |
| Premium Holiday Benefit | 5 |
| How the Life Cover amount is calculated | 6 |
| What the person insured isn't covered for | 6 |
| Limits on what we'll pay | 6 |
| What we need to assess your claim | 6 |
| Who we'll pay benefits to | 6 |
| Definitions | 7 |



WriteMarkTM
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.

Reading and understanding your policy

Life Cover pays out a tax-free lump sum if the person insured dies or is diagnosed with a **terminal illness**. You can be paid up to \$15,000 early to help with funeral costs.

This policy wording contains important information about Life Cover. It explains what benefits will be paid, what exclusions apply and how to make a claim. Please carefully read this policy wording, the policy wording for AA Life Insurance, and the separate **policy summary** that goes with it.

We have used 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.

Words with specific meaning

We have coloured some words blue. These words have a specific meaning. We've explained them in the 'Definitions' section at the end of this policy wording.

Life Cover start and end

Your Life Cover under this policy begins on the date shown on your **policy summary** or the date we restart your policy.

Your Life Cover ends on the earliest of the following:

- the date you cancel your policy
- the date you cancel your Life Cover
- 30 days after you miss a premium payment
- the date a **terminal illness** claim is accepted.
- the date the person insured dies

We won't pay benefits for events that happen before the date your cover starts or after the date your cover ends.

Death Benefit

We'll pay the Death Benefit if the person insured dies. The Death Benefit amount we will pay is the Life Cover amount that applies at the date of death less any Funeral Support Benefit already paid.

Terminal Illness Benefit

We'll pay the Terminal Illness Benefit if the person insured is diagnosed as having a **terminal illness**. The Terminal Illness Benefit amount we will pay is the Life Cover amount that applies at the date of **terminal illness** diagnosis.

We will only pay the Death Benefit or the Terminal Illness Benefit, not both. Once a terminal illness claim is accepted, Life Cover ends and you are no longer eligible for the Death Benefit.

Funeral Support Benefit

The Funeral Support Benefit helps you deal with the immediate expenses associated with a death.

We'll pay up to \$15,000 when we receive written notification of the person insured's death. We'll deduct this amount from any later payment of the Death Benefit. We'll only make one payment for the Funeral Support Benefit for each person insured under any AA Life insurance policy.

Life Event Increase Benefit

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

| Event | Evidence required |
|--|--|
| <p>Marriage The person insured decides to permanently live with someone in the nature of marriage or civil union.</p> | <p>Official copy of the marriage or civil union certificate, or you can supply some other form of evidence we accept as legitimate that confirms the permanent nature of the relationship. You cannot apply for more than one increase if the person insured marries or enters into a de facto relationship with the same person more than once.</p> |
| <p>Divorce The person insured divorces or dissolves a registered civil union.</p> | <p>Certified copy of the dissolution order. You cannot apply for more than one increase if the person insured divorces or separates from a marriage or a de facto relationship with the same person more than once.</p> |
| <p>Death of a spouse or partner The person insured's spouse or partner dies.</p> | <p>Certified copy of the death certificate for the person insured's spouse or partner.</p> |
| <p>Children The person insured or their spouse or partner gives birth to a child.</p> | <p>Official copy of the birth certificate, which names the person insured as a parent.</p> |
| <p>The person insured adopts a child.</p> | <p>Certified copy of the adoption certificate, which names the person insured as an adopting parent.</p> |
| <p>Change in salary The person insured's 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.</p> | <p>Sufficient evidence to confirm the salary increase. Two examples are payslips or a letter from the employer of the person insured.</p> |
| <p>Home loan The person insured takes out or increases a loan of at least \$25,000 for any of the following solely residential properties:</p> <ul style="list-style-type: none"> • their primary residence • a new residential investment property • a holiday home • a bare block of land zoned as residential. | <p>Certified copy of the mortgage documents.</p> |
| <p>Becoming a carer The person insured becomes a carer for the first time.</p> | <p>Statutory declaration from the person being cared for, or the dependant's legal representative. This statutory declaration must contain all of the following:</p> <ul style="list-style-type: none"> • details of the nature of the dependency • confirmation of the close personal relationship held with the person insured • confirmation that the dependant permanently resides with the person insured • confirmation that the person insured is personally providing financial and domestic support for the dependant. <p>You'll also need to supply a statement from the dependant's doctor verifying both of the following</p> <ul style="list-style-type: none"> • the need for and nature of the care required • 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 if either of the following apply to the person insured:

- they have been diagnosed as having a **terminal illness**
- they have reached their 60th birthday.

Maximum increase

The maximum increase for each life event is the lowest of:

- 25% of the original or current Life Cover amount (whichever is the lesser)
- \$200,000
- five times the person insured's increase in salary (if applicable)
- the loan amount or the amount of the loan increase (if applicable).

The total of all increases to the Life Cover amount using the Life Event Increase Benefit cannot exceed the Life 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 either of these two timeframes.

- The first timeframe is 180 days after the life event.
- The second timeframe is 30 days either side of your policy anniversary immediately following the life event. For example, if the person insured takes a home loan in June 2025, then your next policy anniversary is 1 May 2026. You can apply for the Life Event Increase Benefit any time between 1 April 2026 and 31 May 2026.

With your written request, you must include evidence of the life event. We'll increase the premium amount to reflect the increase in Life Cover.

All terms that apply to the Life 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 Life Cover premiums from any anniversary of the start date of your policy. This means that your Life Cover premiums will stay the same each year, instead of increasing with age.

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

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

Premium Holiday Benefit

If we accept your application for a premium holiday, then we'll waive your Life Cover 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 your Life Cover has been continuously in force for at least six consecutive months, and one or more of the following apply to the person insured:

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

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

When the premium holiday ends, you will need to begin paying premiums again. If this does not happen, we'll cancel the Life Cover.

How the Life Cover amount is calculated

We'll show the Life Cover amount on your [policy summary](#) when the cover starts. On each anniversary of the date your policy starts, we'll increase the Life Cover amount up to a maximum of \$1,500,000.

We'll increase the Life Cover amount by the greater of the Consumers Price Index (CPI) and 2%. Premiums will increase to reflect the adjusted cover amount.

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 policy starts following 1 August. If the CPI isn't published by 31 May, we'll calculate it using a retail price index that we consider most closely replaces it.

We'll write to you 28 days before your anniversary date of your policy to tell you about changes to your Life Cover amount and premium amount.

If you don't want the Life Cover adjusted by CPI, you must tell us before the anniversary date of your policy.

If you decline this increase in any given year, we'll continue to offer you increases on each following anniversary of the start date of your policy until the Life Cover reaches \$1,500,000.

What the person insured isn't covered for

We won't pay a claim if the person insured dies as a direct or indirect result of an intentional self-inflicted act, whether they are sane or insane, and either of these conditions apply:

- the act occurs within 13 months of the date your Life Cover starts or restarts
- the act occurs within 13 months of the date of an increase to the Life Cover amount, for the extra amount only.

We won't pay a claim if the death of the person insured is a result of anything for which they received and accepted an exclusion as a result of answering the Health and Lifestyle questions when applying for the Life Cover.

Limits on what we'll pay

The person insured can have cover under more than one AA Life insurance policy with Life cover. The total maximum combined cover we'll insure them for under any AA Life Insurance policy with Life cover is \$1,500,000.

We'll apply this maximum amount across all AA Life insurance policies with Life cover that pay out on the death or [terminal illness](#) of the person insured.

If the person insured's combined Life cover across all AA Life insurance policies is more than \$1,500,000, we'll calculate and refund premiums paid on cover above that amount.

What we need to assess your claim

We'll pay you when we are satisfied that a claim is eligible and we have received all the following:

- properly completed claim form(s)
- proof of the person insured's 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.

You or the person insured's estate are responsible for the cost of providing this evidence.

When making a claim for [terminal illness](#), we may require the person insured to have one or more medical examinations at our expense. An example is we may need a doctor of our choosing to examine the person insured, to help us with the assessment of the claim.

Who we'll pay benefits to

If you have chosen to own this AA Life Insurance policy jointly, we'll pay the Life Cover to any surviving policy owner(s). If the person insured is the only policy owner, we'll make the payment to their estate. If not, we'll pay you.

If you have chosen to add nominated beneficiaries, we'll make the Life Cover payments to the nominated beneficiaries regardless of who the policy owners are. Claim payment amounts will be paid as stated on the nominated beneficiary form.

We'll usually make payment within 48 hours of accepting the claim.

Definitions

Policy summary

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

- the person insured
- the policy owner
- the cover(s) included on your policy
- the cover amount
- the date cover starts
- the date cover ends.

Specialist medical practitioner

Specialist medical practitioner means a registered doctor who is a Member or Fellow of an appropriately recognised Specialist College, and who has Medical Council of New Zealand vocational registration in the specialty directly related to the medical condition experienced by the person insured.

Terminal Illness

Terminal Illness means the person insured's life expectancy is due to sickness, and even with available treatment, not greater than 12 months.

Evidence of this life expectancy must be all of the following:

- in the opinion of a **specialist medical practitioner**.
- if we require, in the opinion of one of our approved **specialist medical practitioners**.
- in our assessment, having considered medical or other evidence we may require.

Unemployed

Unemployed means both of the following apply:

- we don't consider the person insured is employed or self-employed
- the person insured's unemployment didn't occur within six months of the later of the date this cover started or restarted.

We're here to help you

Call us anytime

0800 AA LIFE (0800 225 433)

Visit us online

aalive.co.nz

Or come see us at your nearest

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