



**Asteron
Life**

Asteron Life Limited

Employee Insurance

Income Protection Cover Policy Document

(08/19)

Asteron Life Limited
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1.0 Introduction

1.1 How to understand this policy document

Your Asteron Life Employee Insurance policy consists of this Policy Document, your Policy Schedule and your current Member Schedule. If there is a variation in terms outlined in this Policy Document and either of your schedules, the latest Policy Schedule terms will prevail.

The following information aims to help the employer named in the Policy Schedule 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 employer named in the Policy Schedule;
- when we refer to '*member*' we are referring to a person covered under this policy;
- words or expressions used that have a particular meaning are shown in *italic* type and are explained in either the section in which they appear, section 6 or in the Policy 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 referable to Asteron Life Limited's Statutory Fund Number 1. The assets of this fund will alone be responsible for the payment of benefits under the policy. All premiums in respect of this policy will be credited to that fund and the payment of all insurance claims under this policy will be paid from that fund;
- this policy is to be interpreted in line with the law as it applies in New Zealand;
- this policy is not participating in profit sharing; and
- this policy has no cash value.

1.2 How to contact us

Administration queries

If you have any questions about your policy, or when and how changes can be made to your policy, please contact your broker or write to us at:

Employee Insurance

Asteron Life Limited

PO Box 894

WELLINGTON

Ph: 0800 808 101

Email: employeeinsurance@asteronlife.co.nz

Claims queries

If you have any queries about how to claim or an on-going claim, please write to us at:

Claims

Asteron Life Limited

PO Box 894

WELLINGTON

Ph: 0800 808 101

If there are any complaints concerning the policy

Write to us at
The Complaints Officer
Asteron Life Limited
PO Box 894
WELLINGTON 6140

At the time this policy is issued, Asteron Life is part of the Insurance & Financial Service Ombudsman Scheme (IFSO Scheme). The IFSO Scheme means that policy owners are provided with a free complaints resolution service. If you are not satisfied that we've resolved the 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 Services Ombudsman
PO Box 10-845
Wellington 6143
Freephone: 0800 888 202
Facsimile: 04 399 7614
www.ifso.nz

2.0 General conditions

2.1 Commencement date of the policy

This policy commences on the *commencement date* in the Policy Schedule.

There may be an initial period between the *commencement date* and the initial *annual renewal date* so as to align the *annual renewal date* to your convenience.

After this initial term, your policy is renewed and reviewed yearly on the *annual renewal date*.

2.2 Rate guarantee period

Subject to section 2.9 the premium rates referred to in the Premium Rate Schedule are guaranteed by us until the end of the *rate guarantee period* as specified in the Policy Schedule.

At the end of each *rate guarantee period*, we may alter this policy on terms that are agreeable to you and us. If we cannot agree on new terms, then the policy will not be renewed.

We may vary the standard premium rates referred to in the Premium Rate Schedule at any time if there is a change in the amount of the total aggregate benefits for all *members* of 30% or more in any one policy year.

We may vary the standard premium rates referred to in the Premium Rate Schedule at any time in the event of war (whether declared or undeclared) in which New Zealand is involved, or the armed invasion of New Zealand.

This document was prepared on the basis of the legislation and taxation regime and their interpretation applicable at the date of execution of this policy. We reserve the right to adjust the premium rates, at any time (including within the *rate guarantee period*), in response to changes in the legislative or taxation environment, or in response to changes in generally accepted interpretation of the law. One month's written notice will be given to you of any such change.

2.3 When the policy may be cancelled

During each *rate guarantee period*, we may cancel this policy by 90 days' notice in writing to you:

- if the number of *members* is fewer than 10 for a period of longer than three months;
- in the event of your insolvency.

At the end of each *rate guarantee period*, we may cancel this policy by 90 days' notice in writing to you for any reason.

At any time, including during each *rate guarantee period*, we may cancel this policy by 30 days' notice if premiums are not received in accordance with the terms of this policy.

You can cancel this policy at any time by giving us 90 days' notice.

No benefit will be payable under this policy on or after the date of cancellation except where the event on which the claim is payable occurred before the policy ended.

At the date of cancellation we will prepare a statement of premium detailing all premiums payable from or refundable to you. Cancellation of this policy for any reason does not prevent us recovering from you any premium relating to any period of cover under this policy prior to the date of cancellation that has not been paid.

2.4 Eligibility of employees

The policy is compulsory for your employees who meet the *eligibility terms* set out in the Policy Schedule and have not attained the *cover cease age* specified in the Policy Schedule.

Contractors and consultants who work directly for your business may be included as *members* of this scheme if stated in the Policy Schedule.

Your employees who meet the criteria will join the plan immediately and will be covered for their *monthly benefit* as set out in the Policy Schedule up to a maximum of the *automatic acceptance level* referred to in section 2.10. You are responsible for providing new employee details to us prior to the next *annual renewal date*.

For the *automatic acceptance level* to apply, a *member* must be either working for you, or both physically and mentally capable of working for you, in their usual employment capacity without any restriction, on the date they join the policy.

Applications to join the policy will be considered for *members* who are not working or not capable of working without restriction on the date of joining, however the *automatic acceptance level* may not apply. To assist our assessment of the application we may request medical or other evidence satisfactory to us and any resulting cover may be offered on non-standard terms, including such premium loadings, restrictions, exclusions or other conditions that, in our opinion, are appropriate.

Members will only be covered for amounts in excess of the *automatic acceptance level* or in cases where the *automatic acceptance level* does not apply, after we have been provided with medical or other evidence satisfactory to us, and we have provided written acceptance of the cover and the terms on which that cover is accepted. These terms may include such premium loadings, restrictions, exclusions or other conditions that in our opinion are appropriate.

Once accepted into the policy, your employee will be a *member* of the policy.

You are responsible for providing details of new employees to us. Details of all new employees must be provided to us with all other employees' details as requested by us for the annual policy premium review.

If the Policy Schedule states that Transfer Terms apply, employees who participate in any other employee insurance income protection policy operated by you that is in force on the *commencement date* will be automatically accepted into this policy, subject to the following conditions:

- the employee ceases to be covered by the previous income protection policy;
- the employee works more than 15 hours per week for you;
- the employee is either working for you, or is both physically and mentally capable of working for you, in their usual employment capacity without any restriction, on the *commencement date*; and
- the cover levels do not exceed this policy's *automatic acceptance levels* stated in the Policy Schedule, unless previously underwritten.

If you have employees who do not meet any of the above requirements and you wish them to be eligible for cover under the policy, you must apply in writing to us on or before a date set as 31 days after the *commencement date*. We will provide you with the information that we require from your employee to assess their acceptance into the policy.

2.5 When does a member leave the policy

Cover for a *member* will cease on the first to occur of:

- the date the *member* ceases employment with you;
- the date the *member* ceases to be eligible for the scheme as stated in section 2.4 (except as a result of temporary absence (see section 2.6) or disablement);
- the *member* commences service in the armed forces of any country or organisation (other than the New Zealand Armed Forces Reserve);
- the end of the *benefit period*, where the *member* has not returned to working more than 15 hours per week with you or has otherwise ceased to be eligible for the scheme as stated in section 2.4;
- the *member's* death;
- the *member* reaching the *cover cease age* specified in the Policy Schedule;
- you cease to pay the premium in relation to the *member's* cover; and
- cancellation of this policy by us or you.

If a *member* leaves the policy and the Policy Schedule states that the Income Protection Cover Continuation Benefit applies (see section 3.3) and the *member* has not reached the *cover cease age*, we will offer the former *member* a period of *extended cover*. The *extended cover* will cease on the first occurrence of:

- (a) the Income Protection Continuation Benefit being exercised (if available) (see section 3.3),
- (b) the former *member* reaching the *cover cease age*, or
- (c) 60 days after cover under the policy ceases.

During the cover extension the former *member* will continue to have cover under all benefits they had immediately prior to leaving the policy and no premiums will be charged during the cover extension.

2.6 Cover while on leave without pay

Where a *member* is on a period of *leave without pay* from their *usual occupation*, for up to 12 months, the *member* will continue to have cover under this policy, providing you continue to pay the premium for that *member*.

If the *member* does not return to employment with you and meet the necessary conditions to be eligible for the scheme as stated in section 2.4, cover for the *member* will end at the earliest of:

- the end of the agreed leave period
- 12 months after the period of *leave without pay* started.

If the *member* meets the claim requirements under this policy during this period, we will begin *monthly benefit* payments from the later of:

- the end of the *waiting period*
- the date the *member* was due to return to their *usual occupation*.

Monthly benefit payments will be calculated as if the *member* had become disabled immediately before their *leave without pay* began.

2.7 Benefit payments under this policy

All payments made by us under section 3 will be paid to you or to such person, bank or institution as you may direct.

2.8 Paying for this policy

You are responsible for paying the policy premium, including any premium for *voluntary cover* in section 2.12, in accordance with the following requirements:

- *member* information which we request (e.g. age, salary) is supplied in a format and at a time satisfactory to us;
- payments must be made in accordance with the *premium payment terms* specified in the Policy Schedule;
- payments must be made in a form that is satisfactory to you and us as agreed from time to time; and
- payments will include Government taxes and charges which we incur in relation to this policy and which are not included in the premium rates.

The policy premium covering the initial period between the *commencement date* and initial *annual renewal date* of the policy must be paid before the *commencement date*. The first premium instalment for the period immediately following the initial *annual renewal date* must be paid before the initial *annual renewal date*.

All other premium instalments must be paid within 30 days of the date of our invoice.

We will calculate any refund of premium or any additional premium to be paid by you, for the 12 month period immediately preceding the *annual renewal date*, based on the *premium adjustment* formula specified in the Policy Schedule.

The calculation will be based on the following *member* movements in and out of or affecting cover under the policy in that year:

- when new *members* join the policy or existing *members* leave the policy during the year preceding an *annual renewal date* (refer to sections 2.4 and 2.5); or
- where there are changes to benefits within *automatic acceptance levels* (refer to section 2.10) for existing *members* during the policy year.

Any premium refunds or additional premium payments must be made within 30 days of the relevant notification.

2.9 Variation in premiums

We will recalculate the policy premium on each *annual renewal date* based on

- any premium refunds or additional premium payments arising from section 2.8;
- our then current premium rates for Income Protection Cover;
- the age, sex, occupation and any agreed premium loading factors where appropriate for the *members* of the policy at the *annual renewal date*; and
- the annual income details of each *member* at that time.

If an increase in annual income would give rise to an increase in cover above the scheme's *automatic acceptance level* as referred to in section 2.10, the *member* will not be covered for the additional amount until we have been provided with medical evidence satisfactory to us, and we have provided written acceptance of the additional cover.

Periodically we review our premium rates for Income Protection Cover. Following any review we will not change the premium rates until the next *annual renewal date*.

If the Policy Schedule indicates that the *rate guarantee period* applies then we will not apply any change in underlying premium rates until the expiry of the *rate guarantee period* except as provided for under section 2.2. During the *rate guarantee period* there will still be changes in the total premium in line with age increases, changes to cover levels and movements of employees in and out of the policy.

We reserve the right to pass onto you any Government taxes and charges that we incur in relation to this policy and which are not included in the premium rates.

2.10 Automatic acceptance level

The *automatic acceptance level* is the maximum cover that we will provide you in relation to a specific *member* without requiring medical or financial underwriting.

We will offer an *automatic acceptance level* provided the scheme meets the following conditions:

- the insurance benefits are fully defined so that neither the *member*, the trustees nor you has the right to vary the level of cover for a *member*,
- the eligibility conditions for employees in section 2.4 are followed, and
- there are at least 10 *members* in the scheme at each *annual renewal date*.

In the event that the above conditions are not met, we may vary or remove at our discretion the *automatic acceptance level*, on each *annual renewal date* of your policy.

We may vary the *automatic acceptance level* stated in the Policy Schedule at any time if there is a change since the last *annual renewal date* of 30% or more in either:

- the total number of *members*; or
- the aggregate *monthly benefits* for all *members*.

2.11 Forward underwriting limits

If we underwrite an employee and offer them cover, we may offer the *member* a Forward Underwriting Limit (FUL). This means that if the *member's* cover is based on the *member's* salary and if that increases, we will automatically increase the *member's* cover level until their level reaches the FUL without requesting further medical underwriting.

We will notify the *member* directly if a Forward Underwriting Limit applies.

2.12 Voluntary cover levels

In addition to the *members' compulsory cover levels*, *members* may be entitled to apply for additional Income Protection Benefits (section 3). Details of *voluntary cover*, if available, are in the Policy Schedule.

Any *voluntary cover* will be underwritten by us.

The amount and terms of *voluntary cover* for the Income Protection Benefit will be agreed between us and the *member*. The agreed *voluntary cover* will be shown in the current Member Schedule.

Members can alter their voluntary cover within 30 days prior to the annual renewal date.

2.13 Cover while overseas

We will cover *members* who are working overseas provided:

- at any one time those *members* are fewer than 15% of the total *members*;
- those *members* are New Zealand Citizens or Permanent Residents;
- those *members* are working overseas for a maximum of three years;
- those *members* are working for a branch or subsidiary of the New Zealand employer.

If any of the provisos above are not met, you must apply to us to continue cover for those *members*. We may impose conditions.

Members who are working overseas for less than 30 days or on holiday travel overseas will remain covered, subject to meeting all other requirements of this policy.

If the *member* is overseas while on claim, claim payments are subject to section 3.1.3 and 3.2.1.

We won't cover any *member* working in or travelling to or from destinations which are deemed to be 'extreme' or 'high' risk by us. Destinations deemed to be 'extreme' or 'high' risk can be determined by visiting the New Zealand Government website at www.safetravel.govt.nz. Destinations labelled as 'some risk' are acceptable for insurance cover.

If the New Zealand Government no longer publishes these ratings, we will use the last rating list published by the New Zealand Government or choose an alternative list that we will inform you of on or before the next *annual renewal date*.

2.14 Member's privacy

We confirm we may need to collect medical and financial information in relation to any *member* to assist us in processing applications for Income Protection Cover, changes to the policy and in assessing claims. This information may be disclosed in strictest confidence to staff, consultants, reinsurance companies, doctors or other qualified medical personnel. Your *members* do not have to agree to these disclosures; however, failure to do so may mean benefits payable to you under this policy are avoided or reduced.

3.0 Income Protection Cover

3.1 Built-in Benefits

3.1.1 Rehabilitation and Retraining Support Benefit

We will work with you and the *member* to put a plan in place to help them return to work if they become disabled and, in our opinion, their disablement is likely to last beyond the *waiting period*.

Contact us as soon as possible and we will discuss how we can help.

We will reimburse the *member* for rehabilitation, retraining or support costs included in the agreed plan, if all of the following apply:

- the *member* will be able, in our opinion, to return to a *gainful occupation* sooner with those expenses than without them;
- we agree to the plan and any expenses before they are incurred; and
- these expenses are not being reimbursed from elsewhere.

Rehabilitation or support expenses may include (but are not limited to) government-sponsored or approved rehabilitation programme fees, wheelchairs, artificial limbs, prosthetic devices as well as house and car modifications and additional childcare assistance.

Retraining expenses may include (but are not limited to) government-sponsored or approved vocational training expenses.

We will make payments when all requirements of this benefit are met, and after we have received sufficient evidence.

Our acceptance of a claim under this benefit does not mean we will automatically accept another benefit on this policy.

The maximum we will pay under this benefit is 12 times the *monthly benefit* per claim. If the *member* experiences a recurring disability (section 3.1.4) we will only reimburse expenses up to the remainder (if any) of the 12-months' maximum payment under this benefit. If the *member* experiences a new disablement, a new maximum payment of 12 times the *monthly benefit* will apply.

3.1.2 Income Support Benefit

If a *member* becomes disabled while covered under this policy, we will pay the Income Support Benefit if all of the following apply:

- the *member* is disabled;
- the *member* was continuously disabled for the entire *waiting period*; and
- unless the *member's* disablement is a recurring disability (section 3.1.4), the *member* has been continuously disabled since the end of the *waiting period*.

What we mean by disabled, disability or disablement

For the purpose of the Income Support Benefit, we will consider the *member* to be disabled if, solely due to *injury* or *sickness*, their earning capacity is reduced and if all of the following apply:

- their *member's* capacity to perform their *usual occupation* is reduced to less than 75% of the average hours they worked in their *usual occupation* before their *injury* or *sickness*; and
- the *member's* *monthly income* has reduced to less than 75% of their *pre-disability income*.

The *member's injury* or *sickness* and inability to work must be supported by clinical evidence that is approved by us, and they must be following advice about that *sickness* or *injury* from a *registered doctor*.

Following the advice of a *registered doctor* means the *member* is following that advice on an ongoing basis, including recommended courses of treatment and rehabilitation.

How we pay you the Income Support Benefit

Payments will begin from the end of the *waiting period*. The *waiting period* you have chosen is shown in the Policy Schedule. After the end of the *waiting period*, payments will accrue from the first day of each period during which the *member* is disabled. We will normally pay monthly in advance, unless another method has been agreed upon by you and us at the time of claim.

Payment is conditional on us having received all relevant information and the claim being accepted.

At the start of a month, an Income Support Benefit payments may be assessed as being payable for less than a month. To calculate the payment, we will divide the *member's* normal Income Support Benefit payment by 30 and then multiply it by the number of days that it is payable for that month.

If the *monthly income* or *other income* received, or could have received, during a month changes from our assessment at the start of the month, we will adjust the following month's payment to take that into account.

The *member* must tell us if they are receiving any *other income* retrospectively. We will adjust benefit payments we have already made to you or the *member* based on this additional *other income*. You and/or the *member* must reimburse us for any benefit overpayment up to the amount of the *other income* retrospectively received.

3.1.2.1 Loss of Earnings

If the Policy Schedule states that Loss of Earnings applies and if the *member* is disabled, we will calculate the benefit payments as the lesser of:

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

where:

A = the *member's pre-disability income*

B = the *member's monthly income* and *other income* while disabled.

3.1.2.2 Indemnity

If the Policy Schedule states that Indemnity applies and if the *member* is disabled, we will calculate the benefit payments will be calculated as the lesser of:

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

where:

A = the *member's pre-disability income*

B = the *member's monthly income* and *other income* while disabled

When we will limit an Income Protection Benefit

As outlined in section 3.1.2.1 and 3.1.2.2, we will calculate the amount payable under the Income Support Benefit to reflect any *monthly income* and *other income* the *member* receives or is entitled to receive.

When we review the *member's monthly income* and *other income* we will take into account factors including, but not limited to their capacity to work while they are disabled.

If the *member* is not working to their capacity, *monthly income* and *other income* will be calculated based on what we consider they could reasonably be expected to earn if they were working to the extent of their capacity. In our assessment we will consider all relevant information including:

- the opinion of the *member's registered doctor(s)*
- the opinion of our medical and rehabilitation specialists
- the results of any functional assessments the *member* has undertaken.

When disablement benefits end

Payment of the Income Support Benefit stops on the first to occur of:

- the *member* is no longer disabled
- the end of the *benefit period* as specified in the Policy Schedule
- the *member's* death
- the *member* reaching the *cover cease age* as specified in the Policy Schedule
- the *member* reaching the end of their fixed term contract period with you.

3.1.3 Payments while Overseas Benefit

If the *member* is disabled while overseas and you are entitled to receive payments from us, we will continue to pay you while the *member* is overseas for up to three months, but only if you are able to meet our claim requirements (section 5).

We will recommence benefits without a new *waiting period* when the *member* returns to New Zealand if:

- the *member's* disablement has been continuous since we ceased payments;
- the *member* is still disabled from the same cause when the *member* returns to New Zealand; and
- you are entitled to receive payments for that disablement under this policy.

3.1.4 Recurrent Disability Benefit

If a *member* suffers from the same *sickness* or *injury* within six months of a disability claim ending, we will consider their disablement as being recurring.

If we consider a *member* to have a recurring disability and it occurs while this policy is still in force, we will begin assessing the benefit without applying a new *waiting period*.

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

3.1.5 Premium Waiver Benefit

We will waive the premiums for the *member's* Income Protection Cover if they are disabled and are entitled to receive an Income Support Benefit or Specific Injury Support Benefit.

The premiums payable for the *member's* Income Protection Cover will be waived or refunded until the earlier of:

- the date the *member* is no longer disabled
- the date the *member* is not eligible to receive payments for that disablement under this policy.

The Premium Waiver Benefit applies to any payment for the Specific Injury Support Benefit under the Income Protection Cover during the Specific Injury Support Benefit payment period.

Otherwise, the Premium Waiver Benefit is backdated to the first day of the *waiting period*. Premiums paid by you during the *waiting period* will be refunded with the first payment from us.

3.1.6 Death while on Claim Benefit

If the Policy Schedule states that the Death while on Claim Benefit applies, we will pay a benefit for any *member* who dies while disabled and receiving an Income Support Benefit.

If a *member* qualifies under the Death while on Claim Benefit we will pay a lump sum equivalent to three times the *monthly benefit* payable immediately prior to the date of the *member's* death.

3.1.7 Indexation while on Claim Benefit

The following benefit applies if the Policy Schedule states that indexation while on claim applies.

If you are receiving a payment from us for the disablement of a *member*, we will increase the *monthly benefit* and the *member's pre-disability income* at each *annual renewal date* by the lesser of the *indexation factor* or 5%.

When we stop making payments to you for the disablement of a *member*, the *monthly benefit* will be recalculated using the same formula applied to other *members* in the policy at the time the payments from us stop.

3.2 Optional additional benefits

This section tells you about the benefits you can choose to add to your Income Protection Cover. See your Policy Schedule to confirm which optional benefits you have selected.

3.2.1 Nursing Care Benefit

If the Policy Schedule states that the Nursing Care Benefit applies, we will pay a benefit for any *member* who is disabled and during the *waiting period* is certified by a *registered doctor* to require the full-time and continuous care of a registered nurse for a continuous period in excess of 72 hours.

The amount of the Nursing Care Benefit will be equal to the lesser of:

- the costs of the registered nurse payable by the *member* and not recoverable from any other source; and
- 1/30th of the *member's monthly benefit* for each complete day of care in excess of three days during a continuous period of care.

The maximum amount payable under this Nursing Care Benefit for a *member* will be three times the *member's monthly benefit*. The Nursing Care Benefit will be paid upon expiry of the *waiting period*.

3.2.2 Specific Injury Support Benefit

If the Policy Schedule states that the Specific Injury Support Benefit applies, we will pay a *monthly benefit* if the *member* experiences an *injury* listed under this benefit.

We will pay the Specific Injury Support Benefit, without applying the *waiting period*, for the shortest of either:

- the applicable payment period for the *member's injury* shown in the table below
- the number of months remaining until your Income Protection Cover ends

Injury	Payment period
Fracture of jaw	1 month
Fracture of skull	
Fracture of forearm	
Fracture of collarbone	
Fracture of wrist	
Fracture of upper arm	2 months
Fracture of shoulder	
Fracture of elbow	
Fracture of vertebrae	
Fracture of kneecap	
Fracture of ankle	
Fracture of heel	
Fracture of leg below the knee (tibia or fibula)	3 months
Fracture of the leg above the knee (femur)	
Fracture of the pelvis	6 months
Loss of the thumb and index finger of the same hand	
Loss of use of a foot or hand	12 months
Loss of sight in one eye	
Loss of a whole leg or arm	18 months
Loss of any combination of hand, foot or sight	24 months

Paralysis	60 months
<p>Where relevant, in the list above, 'fracture' means any fracture resulting from an accident requiring fixation, immobilisation or plaster-cast treatment of the affected area within 48 hours of the accident. The fracture is to be certified by an appropriate <i>registered doctor</i>.</p> <p>Where relevant, in the list above, 'loss' means the total and permanent:</p> <ul style="list-style-type: none"> ▪ Loss of use of the hand from the wrist or the foot from the ankle joint ▪ Loss of use of the arm from the elbow or leg from the knee joint ▪ Loss of the use of the entire thumb and entire index finger ▪ Loss of an eye or loss of all sight in the eye 	

We will normally pay this benefit monthly in advance, unless another method has been agreed upon by you and us at the time of claim. We will make payments from the date the member is *injured* once you and the *member* have met all claim criteria including that set out in section 5.0.

If the *member* experiences more than one *injury* listed below in the same *accident*, we will pay you or the *member* the single greatest benefit payment amount of all the *injuries* the *member* sustains.

If the *member* dies before the end of the payment period, we will pay the remainder of the monthly payments in a lump sum.

If the *member* experience a subsequent *injury* while still within the payment period, payment for the earlier *injury* will cease. The new payment period will be adjusted for any advance payments made for the earlier *injury* and will start for the subsequent condition. We will only make one payment for each *injury* in any 24-month period.

If we are paying the Specific Injury Support Benefit, no additional Income Support Benefit will be paid. At the end of the applicable payment period, we will determine the eligibility for ongoing *monthly benefit* payments under the terms of the Income Support Benefit as stated in section 3.1.1.

3.3 Income Protection Cover Continuation

If the Policy Schedule states that an Income Protection Cover Continuation Benefit applies, former *members* who cease to have cover under the policy (see section 2.5) are eligible to continue their cover in the form of an income protection policy subject to the following:

- the former *member* has not attained the *cover cease age* as defined in the Policy Schedule;
- the former *member* must apply for cover continuation within the period of *extended cover*;
- the former *member* satisfies our underwriting requirements in respect of their new employment details including but not limited to occupation, hours worked, experience/training, timing of commencement, employment status and income;
- the former *member* satisfies our underwriting requirements in respect of any hazardous pursuits;
- the former *member* satisfies our underwriting requirements in respect of their residence and travel;
- regardless of whether the former *member* is a New Zealand Citizen or Permanent Resident, the former *member* must reside in New Zealand;
- the level of cover will be no greater than the cover that was provided to the former *member* under the Income Protection policy at the time the cover ceased (see section 2.5);

- the *waiting period* offered will be no less than the *waiting period* which existed immediately prior to the former *member* ceasing to have cover under the policy (see section 2.5);
- the *benefit period* offered will be no longer than the *benefit period* which existed immediately prior to the former *member* ceasing to have cover under the policy (see section 2.5);
- immediately prior to ceasing to have cover under the policy, the *member* was still working more than 15 hours per week with you;
- the former *member* is not currently in receipt of or eligible to receive any benefit under this policy;
- the premium for the new cover will be based on our premium rates available at the time. This premium will be based on the former *member's* age, *monthly benefit*, *waiting period*, *benefit period*, gender, new occupation, hazardous pursuits and smoking status at the time the application for continuation option is received by us, increased by any loading factors which applied in respect of the former *member* at the time the *member* ceased to have cover under the policy (see section 2.5);
- the product that will be made available by us to the former *member* will be a product made available to the general public that we consider to be the most similar (including at our sole discretion the exclusion of any benefits or the variation of any other terms and conditions of that product) to the benefits available under this policy; and
- the amount of cover we will offer the former *member* will be agreed with the former *member* based on the income for the former *member's* new occupation at the time of their application.

4.0 Limitations on cover

An Income Protection Cover 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;
- the *member's* participation in any *criminal activity*;
- service in the armed forces of any country or organisation (other than the New Zealand Armed Forces Reserve); or
- pregnancy, miscarriage or childbirth, unless the *member* is disabled for more than three months from the later of the date:
 - the *member's* pregnancy finishes, and
 - the *member's* disablement commences(the later date being the date we will consider the *member's* disablement and *waiting period* to have started).

We will not pay or accrue a benefit in relation to a *member* for any period while that *member* is in jail or home detention.

5.0 Claiming under this policy

5.1 General

The claim conditions specified in this policy document must be satisfied and liability admitted by us before any payments under the policy can be made.

Payment of benefits under the policy will only be considered upon:

- our claim requirements being met by you and the *member*; and
- relevant legislative and common law requirements being adhered to.

5.2 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 of the event occurring; and
- we are disadvantaged because of the delay.

For example, we may need the *member* to be examined by a doctor of our choice to assist with our assessment of the claim. If there is a delay in telling us about the event on which the claim is based, we may be unable to schedule a timely medical examination which may disadvantage us in assessing the claim. If that occurs, we may be entitled to not pay the claim or take other action which we are legally entitled to take.

5.3 Completing our claim forms

Our Claim Notification Form is required to be completed in the first instance and further information may be required depending on the type of claim.

5.4 Claim requirements

Payments under this policy will be made once:

- (a) we have received the following (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);
 - copies of all investigations performed which may include, but is not limited to, clinical, radiological, histological and laboratory evidence; and
- (b) our additional claim requirements (section 5.4.1) have been met; and
- (c) we have confirmed the *member* is eligible for a payment.

5.4.1 Additional claim requirements

We can ask *members* to provide us with additional information relating to:

- the *member's* business or personal income and expenses;
- the *member's* activities; and
- other insurance policies and claims of the *member*.

Any costs associated with these additional claim requirements must be met by you.

At claim time, we may also:

- require the *member* to be examined by a *registered doctor* or other health professional of our choice;
- require the *member* who has become disabled overseas to return to New Zealand for assessment;
- require an accountant of our choice to verify the *member's* income and/or expenses prior to and during the *member's* disablement;
- arrange to meet with the *member* and discuss the circumstances surrounding the claim;
- require information surrounding the *member's* employment circumstances; and
- require a signed authority to enable us to seek and obtain information relevant to the *member's* claim from Government departments, other medical practitioners or other organisations.

We will meet any costs associated with these further claim requirements, other than the cost of the *member* returning to New Zealand for assessment.

If a *member* does not provide us with the information we request, we may stop paying or decline to pay a benefit to you.

5.5 Incorrect or incomplete information

All statements made by you or the *member* or on your or the *member's* behalf in support of any claim must be complete and correct. If any claim under this policy is supported by incomplete or incorrect information, then the claim in question and any related claim may not be payable in whole or in part.

We may also cancel the *member's* cover under the policy.

6.0 Commonly used words

The words and phrases used in this document that appears in *italics* are defined in this section. These definitions are used to help decide if the *member* is eligible for a claim to be paid under your policy.

accident means a single, sudden, unintended, visible, external event that causes bodily *injury*.

automatic acceptance level is the maximum cover that we will provide you in relation to a specific *member* without requiring medical or financial underwriting.

benefit period is the maximum period of time (stated in the Policy Schedule) for which we will pay any benefits to you when a *member* is disabled.

criminal activity means any crime for which a *member* is convicted and receives a jail sentence or a sentence of home detention.

extended cover means the cover available to former *members* on the terms set out at section 2.5.

gainful occupation means a *member* is an employee, working for salary, wages, commission or other remuneration.

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.

If the CPI is 0 or negative, then the *indexation factor* will be 0. If the CPI is not published by 31 May, the *indexation factor* will be calculated based on a retail price index which is satisfactory to us.

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

leave without pay means an employer-approved absence from work, with a formally agreed return to work date documented at the outset of the absence. Leave without pay includes but is not limited to parental leave or sabbatical leave.

member means a person covered under this policy.

monthly benefit is defined in the Policy Schedule.

monthly income is defined in the Policy Schedule.

other income means:

- (a) Any payments, entitlements or benefits in relation to the *sickness* or *injury* causing a *member's* disablement, including payments by way of:
 - sick leave entitlements;
 - disability compensation or other entitlements from the Accident Compensation Corporation or any other form of compulsory insurance policy for loss of income; or
 - other disability, employee *sickness* or accident insurance cover, including cover under a mortgage replacement policy or through a superannuation fund.

pre-disability income means the *member's monthly income* immediately before the start of the *waiting period*. In cases where a *member* is on *leave without pay*, the *pre-disability income* will be based on *monthly income* immediately prior to going on *leave without pay*.

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

- the *member* or you; or
- a business partner of either you or the *member*; or
- an immediate family member related to either you or the *member*.

Asteron Life reserves the right to accept the advice of a medical practitioner practising outside New Zealand or Australia. Where reasonable, we may require that the *registered doctor* is a specialist in a field relevant to the *member's sickness* or *injury*.

The medical practitioner must have qualifications equivalent to New Zealand or Australian standards.

sickness is an illness or disease the *member* suffers while cover for the applicable benefit was in force under this policy.

usual occupation is the occupation in which the *member* was most recently engaged as their principal source of income from personal exertion in the 12 months immediately before becoming disabled.

voluntary cover is additional Income Protection Benefits that have been applied for in addition to the *members' compulsory cover levels*. Any *voluntary cover* will be underwritten by us.

waiting period is the period of time stated in the Policy Schedule. The *waiting period* will not start before the *member* consults a *registered doctor* for the *sickness* or *injury* giving rise to the relevant claim.