

Mortgage Protector. Policy terms and conditions.

Your cover in detail.

1. The contract.

This Policy is the contract between **you** and **us**. The Policy consists of:

- The application form and all declarations **you** have provided
- These Policy terms and conditions
- The cover wordings for each cover **you** have selected shown on the **policy schedule**
- The **policy schedule**.

This Policy terms and conditions details the terms and conditions applying to the covers included in this Policy and should be read together with the **policy schedule** and cover wordings.

The **policy schedule** includes:

- Who owns this Policy (**you**)
- Who's insured (**insured person**)
- The cover(s) for each **insured person**
- The cover(s) and options **you** have selected
- The amount of cover (**sum insured/monthly benefit**)
- Any special terms and conditions
- Other details of **your** Policy.

Each cover has built-in benefits and can have additional options **you** may have selected to include in a cover. If **you** have selected an additional option for an **insured person's** cover, the **policy schedule** will show which additional options apply.

Any special terms and conditions that apply to an **insured person's** cover will be included on the **policy schedule**. The special terms and conditions in the **policy schedule** are in addition to the standard terms and conditions and override anything else in this Policy that is inconsistent with them.

You may request a replacement copy of any of these documents from **us**.

2. Free look period.

If **you** aren't satisfied with this Policy **you** may cancel it by writing to **us** within 14 days of receiving the Welcome pack, provided no claim is made. **You** will receive a full refund of any premium **you** have paid.

If **you** add a cover or option to this Policy or increase a **sum insured/monthly benefit** after its **start date** and are not satisfied with the change(s), **you** can reverse the change(s) within 14 days of receiving notification from **us** confirming the change(s) have been made. **We** will refund the additional premium relating to those change(s) provided no claim has been made.

3. Definitions.

The words shown in **bold** in this Policy have the meanings described in section 11 Definitions and the General definitions section of each cover shown on the **policy schedule**.

4. Premiums.

You must pay the premiums when due.

4.1 Premium payments.

- a. **We** will calculate the initial premium for each cover that applies to **your** Policy. **Your** total initial premium payable is calculated from the **insured person's** personal details such as age, gender, smoking status and current state of health.
- b. It also includes administration and insurance costs including any premium loading that may apply, any benefits or options **you** have selected, any discount that may apply, fees and relevant taxes.
- c. **We** may also charge **you** a policy fee. The policy fee is shown on the **policy schedule**.
- d. Unless **we** have agreed in advance that **you** can pay the premium in instalments, **you** must pay the premium at the **start date** of each cover and then on each **policy anniversary**.
- e. If the premium is payable by instalments, **we** will deduct any instalments overdue from any benefit payments.
- f. **We** allow 35 days of grace after payment of a premium falls due.
- g. If **we** don't receive the total premium due within the days of grace, **we** will cancel this Policy. **We** will send written notice of this cancellation to **you** at **your** last known address in **our** records. **Our** cancellation is effective regardless of whether **you** receive it.

- h. **We** may reinstate this Policy within one year after the date of the overdue payment if **you** request it and may alter its terms based on **our** underwriting assessment and premium rates at the time.

5. Change to premium and the policy fee.

5.1 Change to premium.

We can change the premiums for each cover at a **policy anniversary**. There can be a variety of reasons for **us** doing this. For example, **we** can do this because:

- of the age of the **insured person**,
- the law changes affecting the terms and conditions of this Policy or the premium rates,
- **we** increase the **sum insured/monthly benefit** as a result of the CPI option unless it is declined by **you**, and/or
- **our** claims experience or costs are different from expected.

5.2 Policy fee.

We may change the policy fee for all policies from time to time at a **policy anniversary**. If this happens, **we** will give **you** at least 30 days' notice before **we** change the policy fee.

5.3 Premium rate commitment.

We won't change our premium rates for an existing cover for an individual **insured person** because of a change in **their** health or personal circumstances. New premium rates can apply because of a change in **their** health or personal circumstances to a cover added after the **start date** or a cover is reinstated.

5.4 Where you increase the sum insured/monthly benefit.

If **you** choose to increase an **insured person's** **sum insured/monthly benefit** by exercising a cover's Special events option or **you** apply for an increase in the **sum insured** or **monthly benefit** for an **insured person**, **we** will increase the premiums. **We** will advise **you** of the increased premium amount before **we** apply the increase.

5.5 Premium freeze.

You can apply to **us** in writing to freeze **your** premiums so that they don't increase each year. If **we** freeze **your** premiums, the **sum insured/monthly benefit** will decrease for each cover every **policy anniversary** from the date the premium is frozen. The decrease will be calculated by **us** using the age of each **insured person** at the **policy anniversary**.

Conditions.

- a. The Policy must have been in place for at least 12 consecutive months.
- b. Each **insured person**, other than an insured **child**, must be over age 30 when this premium freeze is applied.

- c. **Our** minimum premium requirements will apply to the premium.
- d. The CPI option on the covers with the premium freeze will end while **we** are applying this premium freeze.
- e. Premium freeze is not available if this Policy or a cover is suspended.

6. Cover renewability pledge.

The cover will automatically renew at each **policy anniversary** until that cover ends for any reason, provided **you** pay the premium due.

7. CPI option.

The **policy schedule** will show if the CPI option applies and which **insured person's** cover it applies to.

We will automatically increase an **insured person's sum insured/monthly benefit** on each **policy anniversary**, unless **you** advise **us** otherwise, by the greater of:

- 2%, or
- an amount **we** determine each year based on the **consumer price index**.

We will send **you** a renewal letter before each **policy anniversary** advising **you** of the new **sum insured/monthly benefit** and the new premium. **You** must advise **us** before each **policy anniversary** if **you** don't require that increase. If **you** decline an increase it won't affect future CPI option increases. Any increases **you** decline are not carried forward to future **policy anniversaries**.

We will adjust the premium to reflect the increased **sum insured/monthly benefit**, including any additional premium loading(s) for medical, occupation or pastime reasons that apply to the cover the CPI option is being applied to.

You do not need to provide any additional health, occupation or pastimes information for an **insured person** for a CPI option increase.

8. Claim conditions applying to all covers.

8.1 Complying with policy.

Before **we** meet any claim under this Policy, **you** and all **insured persons** must:

- comply with this Policy, and
- pay all premiums due, and
- always give true, accurate and complete information to **us**.

8.2 Proof of claim.

Your claims will be assessed and managed by **us**.

You must provide **us** proof an insured event has occurred and the date of birth for the **insured person** who has suffered the insured event, before **we** pay any claim.

Please refer to each cover section in this Policy for more information about the claim requirements.

8.3 Fraud.

If **you** or any **insured person** is dishonest or fraudulent in any way in relation to a claim under a cover, **we** may:

- decline the claim in part or in full, and/or
- cancel the cover or this Policy from the date **we** determine the fraud has occurred.

If **we** cancel the cover or this Policy due to fraud, **we** may retain all premiums paid for the period before the fraud occurred.

8.4 Requests for information to support a claim.

You and the **insured person** must provide all the information **we** reasonably request. If not, **we** may not pay a claim or stop paying a claim until the information is provided.

8.5 Payment of benefits.

We make payments in New Zealand currency and will pay **you** (or **your** legal representative named in a document such as **your** probated will, letters of administration or enduring power of attorney).

If **we** pay you more than **you** are entitled to under any cover, **you** will be required to repay **us**. If **you** owe **us** money for any reason, **we** may take it into account when calculating **your** benefit payments.

9. Transfer of policy ownership, transfer of payment rights, nominated beneficiary.

9.1 Transfer of policy ownership.

You can change one or all of the **policy owners** by completing a Transfer of policy ownership form. When **you** do this the previous **policy owner/s** give/s up all rights to the Policy and the new owner/s assume/s all contractual rights and obligations under the Policy.

9.2 Transfer of payment rights.

You can transfer **your** rights to receive a benefit under a cover shown on the **policy schedule** by completing a Transfer of payments rights form. The transferees **you** name in the form is/are the person/s **you** have instructed **us** to pay based on the latest Transfer of payments rights form received by **us**. All **policy owners** must sign the Transfer of payment rights form.

The latest Transfer of payment rights form **we** have on **our** file will replace any previous Transfer of payment rights forms. When **you** transfer payment rights **you** are still a **policy owner** and the insurance contract continues between **you** and **us**.

9.3 Nominated beneficiary.

If **your** Policy includes Life cover, **you** can nominate a beneficiary for **us** to pay a Life cover claim to by completing a Nominated beneficiary form.

The latest Nominated beneficiary form **we** have on **our** file will replace any previous Nominated beneficiary forms. When **you** nominate a beneficiary, **you** are still a **policy owner** and the insurance contract continues between **you** and **us**.

9.4 Effective date and obtaining forms.

The transfer of policy ownership, transfer of payment rights and nominated beneficiary become effective from the later of the date **you** nominate in the form, or the date **we** register the transfer. **We** must receive the form before the date of an event resulting in a claim.

You can obtain the Transfer of policy ownership, Transfer of payment rights and Nominated beneficiary forms by contacting **us**.

10. Other terms.

10.1 Cancellation.

a. **You** may cancel this Policy, or one or more covers, at any time by giving written notice to **us**.

We will cancel this Policy or the cover/s from the later of the date:

- **we** receive **your** request to cancel this Policy, or
- **you** advise **us** to cancel this Policy.

We will refund to **you** any unexpired portion of the premium paid for the cover/s cancelled.

b. **We** may cancel this Policy if **you** or any **insured person** materially breach it.

10.2 GST.

All amounts of money referred to in this Policy include Goods and Services Tax (GST) where applicable.

10.3 Headings.

Headings in this Policy are for reference only. They do not form part of this Policy and are not to be used in interpreting it.

10.4 Law.

The law of New Zealand applies to this Policy and the New Zealand Courts have exclusive jurisdiction.

We may change this Policy to accommodate any changes in tax or other legislation that affect it. **We** will notify **you** if **we** make changes under this section.

10.5 Separate insurance.

Each **insured person** under this Policy is insured separately as though each is issued with a separate policy wording.

A material breach of this Policy by one of **them** won't affect the cover of other **insured person(s)** if **they** played no part in the material breach.

10.6 Avoidance of this policy.

If **we** can demonstrate that **you** or an **insured person** misrepresented a material fact within section 6 of the Insurance Law Reform Act 1977 or failed to disclose a material fact in any application or other document on the faith of which **we** issued, reinstated or renewed this Policy, **we** will void this Policy and may retain all premiums paid.

10.7 Misstatement of age.

If the age of an **insured person** is greater than **you** advised **us** in the application form and as set out on the **policy schedule**, **we** will recalculate the **sum insured/monthly benefit** that would have been payable had the age been correctly stated. Any claim payment will be based on the recalculated amount. The amount **we** pay **you** will be lower than the amount shown on the **policy schedule**.

If **their** age is less than **you** have advised **us**, **we** will refund **you** the overpaid premiums for **them**, less any outstanding premiums.

10.8 Smoker/non-smoker premiums.

If **we** have:

- issued a cover using non-smoker premiums, **we** based that on the **insured person's** statement that **they** had not smoked any form of tobacco, used nicotine replacement (including e-cigarettes) or any other substance in the twelve months before the cover **start date**, or
- changed the premiums from smoker premiums to non-smoker premiums **we** based the change on the **insured person's** statement that **they** had not smoked any form of tobacco, used nicotine replacement (including e-cigarettes) or any other substance in the twelve months before the date this change was made, and

either of these statements is found to be untrue, then **we** will reduce the **sum insured/monthly benefit** to what would have been purchased by the premiums paid. This will mean the amount paid at the time of a claim will be lower than the amount shown on the **policy schedule**.

10.9 Policy wording upgrades.

We upgrade cover wordings from time to time for new policies. If the wording applied for new Mortgage Protector policies at the time of **your** claim is more favourable for **you** than **your** original policy wording, then the benefit of the new wording will apply to **your** claim. If the upgrade requires an increase in premiums, this will be applied to **your instalment premium** when it is next reviewed.

The more favourable cover wording will only apply if at the effective date of the new wording you were not suffering from a **pre-existing condition**.

10.10 What to expect at each policy anniversary.

Before each **policy anniversary** **we** will send **you** a renewal letter setting out the renewal details including the **sum insured/monthly benefit** for each cover and the premium payable. **You** must pay the premiums when due to ensure **your** cover remains in place.

10.11 Making changes to this policy.

You can request changes to **your** Policy in writing. In some situations, **we** can take **your** instructions to change this Policy over the phone. **Our** customer calls are recorded. Any changes that materially alter this Policy will require the authorisation from all **policy owners**. **We** will let **you** know before **we** make the changes what **we** require from **you**.

10.12 Worldwide cover.

This Policy provides cover 24 hours a day worldwide.

10.13 Statutory Fund.

Your Policy is referable to the Fidelity Life Statutory Fund Number 1.

10.14 If you have a concern about your Policy.

If **you** have a concern about **your** Policy, **we** would like to know so **we** can do **our** best to resolve the matter. The matter will be initially handled through **our** internal complaints procedure.

You can contact **us** with **your** concern by:

- i Email: customerservice@fidelitylife.co.nz
- ii Phone: 0800 88 22 88
- iii Mail:
 - Complaints Officer
 - Fidelity Life Assurance Company
 - PO Box 37-275
 - Parnell
 - Auckland 1151
 - New Zealand

We will attend to the matter and take the appropriate steps to try to resolve **your** concern. If the matter cannot be resolved through **our** complaints procedure, **we** will provide **you** a letter of deadlock which **you** can refer to the Insurance and Financial Services Ombudsman (IFSO) who may be able to help **you**.

We are a member of this independent dispute resolution scheme that is approved by the Ministry of Consumer Affairs:

Insurance & Financial Services Ombudsman (IFSO)
 PO Box 10-845
 Wellington 6143
 Phone: (04) 499 7612 or 0800 888 202

More information about **our** complaints procedure can be found on **our** website:

www.fidelitylife.co.nz

11. Definitions.

The definitions set out below apply to all derivatives of the words defined.

Activities of daily living.

- a. Bathing or showering - the ability to wash in the bath or shower (including getting in or out of the bath or shower) or wash satisfactorily by other means.
- b. Dressing and undressing - the ability to put on, take off, secure and unfasten all necessary garments and as appropriate any braces, artificial limbs or other surgical appliances.
- c. Eating and drinking – the ability to feed oneself once food and drink have been prepared.
- d. Using a toilet – the ability to use the toilet with or without aids or otherwise manage bowel and bladder function so as to maintain a satisfactory level of personal hygiene.
- e. Moving from place to place by walking, wheelchair or with the assistance of a walking aid including mechanical or motorised devices.

The **insured person** will be considered to be able to perform the activity if it can be performed by using equipment or adaptive devices.

Child.

A biological or legally adopted child of an **insured person (parent)**, or a child for whom the **insured person** has been appointed a guardian by the New Zealand Family Court, or a child who's permanently living with an **insured person** who's financially dependent on that **insured person**.

Financially dependent means the **insured person** is fully responsible for all that child's daily living expenses.

Consumer Price Index (CPI).

The Consumer Price Index (all groups) announced by Statistics New Zealand for the 12-month period ending 30 September each year.

We will determine the rate to apply after this date based on the CPI and apply it on the **policy anniversary** on or immediately after 1 January the following year.

End date.

The end date of this Policy or a cover shown on the **policy schedule**.

Instalment premium.

The amount shown as the instalment premium on the **policy schedule** or the most recent renewal letter. If the instalment premium is payable other than monthly then, for the purposes of the Waiver of premium cover, the instalment premium will be recalculated as though it was payable monthly on the first day of each month.

Insured person.

The person named on the **policy schedule** as the insured person.

Medically necessary.

Health care services that a **medical practitioner** or **specialist medical practitioner**, exercising prudent clinical judgement, would provide to an **insured person** for the purpose of evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are:

- appropriate for the symptoms and diagnosis or treatment of a condition, illness or injury,
- not primarily for the convenience of **them**,
- the most appropriate level or type of service or supply that can be safely provided to **them**, and
- Being provided in the context of the condition covered and not because of treatment for another condition not covered or excluded under the cover.

Medical practitioner.

A legally qualified and registered medical practitioner who isn't a spouse, relative or business associate of **you** or an **insured person**.

Monthly benefit.

The amount shown for the **insured person** as the regular monthly benefit or monthly benefit on the **policy schedule**.

Parent.

An **insured person** who has a **child** insured under this Policy.

Policy anniversary.

Each anniversary of the **start date** of this Policy.

Policy owner/policy owners.

The person(s) named on the **policy schedule** who has the rights and obligations under this Policy and who has the contract with **us**.

Policy schedule.

The most recent policy schedule issued for this Policy. A new **policy schedule** replaces any previous **policy schedule** from the date shown on the new **policy schedule**.

Pre-existing condition.

A pre-existing condition is any sickness or condition:

- which existed, or
- where its direct cause existed, or
- which the **insured person** had knowledge, signs or symptoms of, whether or not medical treatment was sought, or
- where any test or investigation showed its likely presence,

on or before the **start date** or the effective date of any Policy wording upgrades.

Relative.

A relative means one of the following:

- Spouse or de facto partner
- Parent or in-law
- Sibling
- Child
- Grandparent
- Grandchild

Salary.

Salary means the annual remuneration received by the **insured person** from **their** employment. This does not include other sources of income such as commission, bonuses, overtime or fringe benefits.

Specialist medical practitioner.

A **medical practitioner** who is a Member or Fellow of an appropriately recognised Specialist College and who has Medical Council of New Zealand or Australian vocational registration in the speciality that directly relates to the medical condition experienced by the **insured person**.

Start date.

The date shown on the **policy schedule** when this Policy starts or the date any cover that is subsequently added starts

Sum insured.

The amount of **cover** shown on the latest **policy schedule** or the most recent renewal letter for that cover.

They/their/them.

The **insured person**

You/your.

The **policy owner/policy owners**.

We/our/us.

Fidelity Life Assurance Company Limited.

SAMPLE