

Policy Document Loan Insurance



All references in this policy to Kiwi Insurance Limited are references to nib nz limited. Your policy will be part of the nib nz Life Statutory Fund.

This document may include some references that are no longer current or relevant – for example the contact details have changed and nib nz limited is not a related company of Kiwibank.

The cover provided by the policy remains the same. Please see nib.co.nz for updated details including how to:

- contact nib nz with an enquiry
- make changes to your policy
- make a claim or for information on how we will resolve any complaints under the policy.

Where to look in these terms if you want to know:

What you are protected for?	1
When will we pay and how much will we pay?	1
When will we not pay	4
How to make a claim	5
Premiums	5
When will the cover end	6
Restarting your cover	6
Other terms of this cover	7
Applicable law and jurisdiction	7
Enquiries	7
Notices	7
Meaning of terms in this policy	8

Loan Insurance

Master Policy Document No. 1

A Bank customer may apply to become an Insured and obtain Cover under this Policy. Should a Claim be made then, subject to the terms and conditions of this Policy, the Insurer will pay the Benefits to the Bank to be applied against your Loan; or, in the case of Additional Life Cover, the Benefit will be paid to your nominated beneficiary or if you have not nominated a beneficiary then to your estate.

Capitalised terms have the meanings set out at the end of this Policy.

1. What you are protected for?

You have Cover for one or more of the following events:

- death
- terminal illness
- total and permanent disablement
- total and temporary disablement

This does not include any increases to the Loan after the Commencement Date unless agreed in writing with the Insurer.

2. When will we pay and how much will we pay?

2.1 Life insurance benefit

Should you die on or after the Commencement Date, we will pay the amount required to repay your Loan Balance plus any Additional Life Cover Benefit.

2.2 Terminal illness benefit

Should you be diagnosed as terminally ill by a medical or surgical specialist approved by us, with death in the specialist's opinion likely to occur within six months, your Loan Balance will be repaid in full plus any Additional Life Cover. All Cover will cease once the Benefit(s) have been paid.

2.3 Total and temporary disablement benefit

If you have chosen to take out total and temporary disablement Cover we will pay provided the following definition is met:

Should you suffer an Illness or Injury for 30 consecutive days and prove to our satisfaction that you have become incapacitated to such an extent as to render you unable to engage in or work for reward in any occupation or work for which you are reasonably qualified by education, training or experience, we will pay your Loan payments for up to two years. The amount we will pay will be the minimum regular periodic instalments necessary to repay your Loan Balance over the remaining term of the Loan, to a maximum of \$2,500 per month.

Your Benefit will cease if we are satisfied at any time that you have ceased to be incapacitated to the extent set out above or you have reached age 60 or we have made payments for two years. See clause 4.5 for your Benefit entitlement if you move overseas.

If you have obtained Additional Life Cover, it will not be affected by your total and temporary disablement benefit.

2.4 Total and permanent disablement benefit

If you have chosen to take out the total and permanent disablement Cover we will pay provided the following definition is met:

Should you suffer an Injury or Illness for six consecutive months and prove to our satisfaction that you are incapacitated to such an extent as to render you unlikely to ever engage in or work for reward in any occupation or work for which you are reasonably qualified by education, training or experience, we will repay your Loan Balance.

All Cover in respect of the Loan will cease on repayment. If you have obtained Additional Life Cover, it will remain in force until it terminates under clause 6.

2.5 Revolving Credit Loans

For any amount of your Loan that is a revolving credit amount, the amount we pay will be calculated as follows:

For payments under total and temporary disablement we will treat the amount outstanding under the Loan (or percentage of Loan you have elected to cover) as a table housing loan and calculate the necessary amount to pay this back over 20 years on the then current variable interest rate (subject to the maximum stated in clause 2.3). The amount outstanding under the Loan will be the lesser of:

- the Loan Balance (calculated as set out above); and
- the average balance over the 12 months prior to the event giving rise to the Claim.

The regular loan payments calculated as set out above will be payable to the Bank for the period of disability.

Should you die or become totally and permanently disabled we will pay the lesser of:

- the Loan Balance (calculated as set out above); and
- the average balance over the 12 months prior to the event giving rise to the Claim.

3. When we will not pay

Without limiting any other right we have to refuse to pay a Benefit, we will not pay any Benefits if:

- your Premiums have not been paid up to date; or
- your Claim is fraudulent in any respect; or
- any statement on the basis of which you received Cover was, for the purposes of the Insurance Law Reform Act 1977, substantially incorrect, material and made either fraudulently or within 3 years immediately preceding the date on which we seek to avoid the Policy or of your death (whichever is the earlier); or
- any express or implied term of this Policy is breached.

If you mis-stated your age in your application for Cover:

- we may make such amendments to the Premiums and Benefits as are permitted by law; or
- to the extent permitted by law, any Cover is void and our only liability is to refund Premiums paid without interest if, on the basis of your correct age on application, you would not have been eligible for Cover or would only have been eligible for Cover on different conditions.

No Benefit is payable when the event giving rise to your Claim was a result of any one or more of the following circumstances:

- Suicide or attempted suicide whether sane or insane within the first 13 months of the Commencement Date or subsequent reinstatement of the policy.
- Your participation in any criminal act.
- You deliberately injure yourself or attempt to do so.
- Your pregnancy or childbirth, unless the disability lasts for more than 90 days after the end of the pregnancy.
- You deliberately take or use non-prescribed drugs or you deliberately misuse prescribed drugs.
- If you are convicted or imprisoned for any reason, no monthly benefit will be payable during the term of imprisonment.
- War or warlike activities.

Where more than one Benefit in respect of the Loan could be payable, only one (being the greater) Benefit will be paid.

Where Additional Life Cover has been taken out it will be paid in addition to any death or terminal illness Benefit.

4. How to make a claim?

- 4.1 We must receive written notice of a Claim within 60 days after the event happens which entitles you to make the Claim.

You (or your representative if you are unable to do so) must make a claim by obtaining a claim form from the Bank and completing the relevant sections and returning the form to the Bank. Claim forms can be obtained by calling Auckland 336 1133, Wellington 473 1133 or from anywhere else 0800 11 33 55.

- 4.2 We will require proof of your age and other details outlined on the claim form.
- 4.3 We have the right to make any reasonable enquiries in relation to a Claim and have you medically examined at our expense.
- 4.4 When we are paying or considering paying you a Benefit you must give us information about your health and pastimes.
- 4.5 While you are receiving a Benefit for total temporary disablement you will be paid for a maximum of 90 days while you are living outside New Zealand, unless otherwise agreed by us.
- 4.6 The Bank may take action in your name in the conduct of any proceedings or in the settlement of any Claim.

5. Premiums

- 5.1 You must pay each instalment of the Premium to the Bank on the due date. The Cover will end if you do not pay any instalment within 30 days after the due date.
- 5.2 The Premium is based on and takes into account your age, gender, whether you are a smoker or non-smoker, the percentage of the Loan insured and whether Additional Life Cover has been taken out.
- 5.3 The Premium will change (without notice to you) to reflect any changes to your Loan Balance. Each anniversary of the date of your birth we will change the Premium to reflect your new age.

5.4 We do not charge you the Premium while you are receiving a Benefit for total and temporary disability. When we stop paying the Benefit you must recommence paying the Premium.

5.5 We can change the premium rates used to calculate the Premium (and therefore the Premium) by writing to you.

We must give you at least 30 days notice of any changes.

6. When will the Cover end?

The Cover will end when one of the following occurs:

- a) You do not pay any premium instalment within 30 days after it falls due.
- b) You tell us in writing that you wish to cancel your Cover. If this is within 30 days of the Commencement Date we will refund any Premium paid.
- c) We pay out under either the death Benefit or terminal illness Benefit.
- d) We pay a total and permanent disablement Benefit (but any Additional Life Cover will remain in force until it terminates under clause 6(a), 6(b), 6(c) or 6(f)).
- e) You repay the Loan Balance (but if you obtained Additional Life Cover it will continue until it terminates under clause 6(a), 6(b), 6(c) or 6 (f)).
- f) You reach age 65 for life and terminal illness (including Additional Life Cover).
- g) You reach age 60 for total and temporary disablement and total and permanent disablement.

7. Restarting your Cover

If your Cover ends because you do not pay a Premium instalment within 30 days after it falls due, we may restart the Cover, at our discretion. We will require you to write to us asking to restart the Cover and we will reply to you in writing if your Cover will be restarted and what you are required to do and the terms that will apply.

8. Other terms of this Cover

- 8.1 This Policy, Cover or any Benefit may not be assigned or transferred by you.
- 8.2 This Policy has no surrender value and no cash is payable if you end this Policy.

9. Applicable law and jurisdiction

- 9.1 The laws of New Zealand apply to this Policy and your Cover. The courts of New Zealand have exclusive jurisdiction.
- 9.2 All amounts payable under this Policy will be paid in New Zealand dollars.

10. Enquiries

Should you have any questions about this Policy please phone

Kiwi Insurance Limited on:

Auckland	336 1133
Wellington	473 1133
Elsewhere	0800 11 33 55

11. Notices

Every notice or other communication you wish to give to us under this Policy must be given in writing to:

Kiwi Insurance Limited
Level 6, 155 The Terrace
Private Bag 39888
Wellington 5045

Notice to you will be posted or delivered to your last known address.

Meanings of terms used in this Policy

Additional Life Cover means any additional amount of life cover you have elected to be insured for over and above your Loan Balance and shown on your Certificate.

Additional Life Cover Beneficiary means a person nominated to receive the Benefit payable under the Additional Life Cover as named on the Certificate.

Bank means Kiwibank Limited.

Benefit means any benefit payable to you under this Policy.

Certificate means the certificate entitled **Loan Insurance Certificate of Cover** issued in the name of the Insured.

Claim means a claim by you for any Benefit.

Commencement Date means the date specified in the Certificate as the commencement date.

Cover means the risks that the Insurer agrees to insure for, being the risks specified in the Certificate as the events covered.

Illness means any medical condition that first occurs after the Commencement Date.

Injury means bodily injury caused directly by violent, accidental, external and visible means that occurs after the Commencement Date.

Insured or **you** means the person covered under this Policy and whose name appears on the Certificate. **Your** has a corresponding meaning.

Insurer or **we** or **us** means Kiwi Insurance Limited. **Our** has a corresponding meaning.

Loan means the home loan owed by the Insured to the Bank the number of which is specified as the home loan number in the Certificate and for which the Insurer has agreed to provide Cover under this Policy.

Loan Balance means, subject to clause 2.5, the outstanding balance of a Loan (or, if Cover of less than 100% of the Loan has been obtained, the relevant percentage of the outstanding balance) as at:

- (in relation to Life Insurance Cover) the date of death of the Insured, plus any interest accrued on the Loan between that date and the date of payment of the Benefit; or
- (in relation to Terminal Illness Cover) the date on which the Insured's Claim for a Terminal Illness Benefit is accepted by the Insurer; or
- (in relation to total and permanent disablement Cover) the date on which the Insured's Claim for a total and permanent disablement Benefit is accepted by the Insurer.

Policy means this document.

Premium means the premium payable by you to the Insurer. The initial premium is shown on the Certificate.

kiwi bank It's ours