

Home Loan Insurance.

Policy wording

All references in this policy to Kiwi Insurance Limited are references to nib nz limited. Your policy will be part of the nib nz limited Statutory Fund No.1.

This document may include some references that are no longer current or relevant – for example the contact details have changed and nib nz limited is not a related company of Kiwibank.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

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Section 1.

Introduction to your cover

Home Loan Insurance is designed to protect Kiwibank Home Loan borrowers who have applied and been accepted for cover by Kiwi Insurance Limited. Home Loan Insurance is arranged by Kiwibank Limited (“the Bank”) and issued by Kiwi Insurance Limited (“Kiwi Insurance”, “we”, “us”, “our”).

Home loan borrowers who are covered under this Policy (“you”, “your”) will be issued with a policy schedule which provides details of your cover. This includes the home loan(s) covered, the percentage of lending that is insured (the “Cover Percentage”), the events that you are covered for and the maximum amounts payable in the event of a claim.

The most recent policy schedule and this document (together “the Policy”) and your application for cover form the basis of the insurance contract between you and Kiwi Insurance.

Home Loan Insurance provides cover for the following events:

- Death and Terminal Illness
- *Temporary Disability
- *Permanent Disability
- *Redundancy from Paid Employment
- *Additional Life Cover

(*These events are only covered if you have selected them and they are shown on your policy schedule.)

In the event of an accepted claim, any benefits will be paid to the Bank to be credited to your Insured Loan Account(s), and any excess will be paid to you, your estate, or nominated beneficiary, if one has been selected.

The Bank and its subsidiaries do not guarantee the obligations of Kiwi Insurance nor any products issued by Kiwi Insurance and if Kiwi Insurance declines a claim the Bank and its subsidiaries will not be liable.

Please read the Policy carefully to ensure the cover meets your needs. If you are unsure about any aspects of the Policy please contact Kiwi Insurance immediately – we’ll be happy to help.

If you decide that the cover doesn't meet your needs you may cancel it at any time by notifying Kiwi Insurance – either in writing or by calling us on our toll free number 0800 222 491. There is a “free look period” of 30 days from the Start Date of Insurance stated on the most recent policy schedule and if you cancel within this period we'll refund any premiums you've paid. If you cancel outside this period there will be no premiums refunded.

IMPORTANT – your duty to be truthful

We have relied on the information you provided us to issue your Policy. If you have not been truthful or didn't provide us with Material Information in your application or don't provide Material Information when you make a claim, we may cancel your Policy and retain some or all of your premiums.

Section 2.

General terms and conditions of the Policy

This section contains information about the general terms and conditions applying to the Policy and all aspects of your cover. The terms and conditions that apply specifically to the individual benefits (i.e. the specific events for which you're covered), the exclusions (i.e. what you're not covered for), and how to make a claim are covered in sections 3 to 7 inclusive and section 9.

The meanings of important words and terms used throughout the Policy are defined in section 8 "The Policy's definitions".

Confirmation that you're covered

To be insured under the Policy you must:

- be a home loan customer of Kiwibank; and
- be aged between 18 and 64; and
- have applied to Kiwi Insurance for cover; and
- have been accepted by Kiwi Insurance for cover; and
- be issued with a policy schedule which details:
 - the Start Date of Insurance; and
 - the Cover Percentage; and
 - the home loan accounts to which this insurance relates; and
 - the benefit types for which you are insured; and
 - the premium payment account number; and
 - the frequency that you have chosen to pay your premiums.

When your cover ends

Provided you continue to pay the premiums when due, your cover will continue until the date of your 66th birthday.

Otherwise, your cover will end when any of the following occurs:

- the Insured Loan Account(s) are repaid and no amount is owing to the Bank; or
- you advise the Bank or Kiwi Insurance that you wish to cancel your cover; or
- your premium is not paid when due; or
- Kiwi Insurance pays a claim in respect of your Death, Terminal Illness or Permanent Disability; or

- Kiwi Insurance cancels the Policy in accordance with the section headed “Variation of the Policy’s premium and terms and conditions” below, in which case your cover will end on the date set out in our written advice to you.

If you have included additional Life cover, as shown on your policy schedule, this will not be cancelled when you repay your Insured Loan Account(s), and cover will continue unaltered.

The premium

The premium may be paid weekly, fortnightly or monthly and is charged directly to a Kiwibank account nominated by you. You may change the frequency of your premium payments or the Kiwibank account from which they are debited by notifying Kiwi Insurance or the Bank.

If you have insured more than one loan account under the Policy, the premiums will be combined and charged together on the same date and charged to the same Kiwibank account.

If more than one insured person is attached to the same loan, individual policies will be issued and individual premium payments will be charged.

How the premium is calculated

The premium for each Insured Loan Account is calculated from Kiwi Insurance’s premium tables on each date that a premium is due, taking into account:

- your age on that date; and
- your gender; and
- your smoking status; and
- your occupation (if you are insured under the Permanent Disability, Temporary Disability or Redundancy benefits); and
- the outstanding balance of the Insured Loan Account(s); and
- the amount of regular loan repayments (if you are insured under the Temporary Disability or Redundancy benefits); and
- any loadings or exclusions that may apply; and
- the Cover Percentage.

The premium will be debited from your premium payment account on each date the premium is due. If you do not raise any objection or query regarding the amount charged within 30 days of it being charged, you will be deemed to have irrevocably accepted it.

Premiums waived whilst on claim

No premiums will be payable in relation to Death and Terminal Illness benefit, Temporary Disability benefit, Permanent Disability benefit and Redundancy benefit (as applicable), for any period during which we are paying an accepted claim.

If you have paid premium(s) for a period that we subsequently agree is covered by your claim, we will refund the premium(s) paid.

Reinstatement of cover

If your Policy has been cancelled because of unpaid premium(s) you may apply to Kiwi Insurance for your cover to be reinstated. We will advise you of the information we need to consider your application and we reserve the right to decline to reinstate your cover, or to accept your application on terms and conditions that may be different to those that applied to your original Policy.

Variation of the Policy's premium and terms and conditions

Kiwi Insurance reserves the right to vary its premium rates for the Policy and/or the terms and conditions applying to any sections of the cover provided.

Kiwi Insurance also reserves the right to cancel the Policy.

Any variation to, or cancellation of, the Policy, will apply to all Kiwi Insurance customers who have Home Loan Insurance and not only to you individually. If we take this action we will give you at least 30 days written notice to the last known address we have for you.

Increasing your loans

If you increase your loans and are underwritten, stand down periods for Temporary Disability and Redundancy benefits will recommence for the increased portion of the Insured Loan Account(s).

No surrender value

This Policy does not have a surrender value.

Mis-statement of age

If, when you applied for cover, you mis-stated your age:

- we may make such amendments to the premiums and benefits as are permitted by law; or
- 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, to the extent permitted by law, any cover is void and our only liability is to refund premiums paid, without interest.

Section 3.

The Death and Terminal Illness benefit

Death benefit

Should you die on or after the Start Date of Insurance, we will pay the Death and Terminal Illness benefit amount as defined below.

Terminal Illness benefit

Should you be diagnosed as Terminally Ill by a Medical Practitioner approved by us, we will pay the Death and Terminal Illness benefit amount as defined below.

Death and Terminal Illness benefit amount

1. **Non-Revolving Credit Contracts:** In respect of your Insured Loan Account(s) which are not Revolving Credit Contracts, we will pay the Cover Percentage of the amount equal to the total outstanding balance of your Insured Loan Account(s) on the date we accept a claim for your Death or Terminal Illness, not including any portion of the loan account not insured, to a maximum cover amount of \$500,000.
2. **Revolving Credit Contracts:** In respect of any Insured Loan Account that is on a Revolving Credit Contract basis, the amount we will pay will be the lesser of:
 - the Cover Percentage of the amount equal to the actual amount owing on the Insured Loan Account on the date we accept a claim for your Death or Terminal Illness, not including any portion of the loan account not insured; and
 - the Cover Percentage of the amount equal to the average daily amount owing on the Insured Loan Account over the 12 months prior to the date of your Death or the date you are diagnosed as being Terminally Ill, not including any portion of the loan account not insured; and
 - \$500,000.
3. If your Policy includes additional Life Cover, we will also pay the amount shown on your policy schedule for this benefit, in addition to the Amount Payable in respect of your Insured Loan Account(s).

When your claim will end

All cover will cease under this Policy once the Death or Terminal Illness benefit has been paid.

Section 4.

The Temporary Disability benefit

Temporary Disability benefit

If you have selected the Temporary Disability benefit, as shown on your policy schedule, and you become Temporarily Disabled for 30 consecutive days or longer* after the Start Date of Insurance, we will pay the Temporary Disability benefit amount as defined below.

Temporary Disability benefit amount

Whilst you are Temporarily Disabled for 30 consecutive days or longer*:

1. **Non-Revolving Credit Contracts:** In respect of your Insured Loan Account(s) which are not Revolving Credit Contracts, we will pay the Cover Percentage of the amount equal to the regular loan repayments of your Insured Loan Account(s), not including any portion of the loan repayment not insured, as they fall due to a maximum of \$48,000 per year (pro rata for any lesser period).
2. **Revolving Credit Contracts:** In respect of any Insured Loan Account that is on a Revolving Credit Contract basis, we will determine the amount that we will pay as follows:
 - I. We will first calculate the outstanding insured loan balance. This will be the lesser of:
 - a. the actual amount owing on the Insured Loan Account(s) on the Date of Temporary Disability to a maximum of \$500,000, and not including any portion of the loan repayment not insured; and
 - b. the average daily amount owing on the Insured Loan Account(s) over the 12 months prior to the Date of Temporary Disability, not including any portion of the loan repayment not insured.
 - II. We will then treat the Cover Percentage of the outstanding insured loan balance, as calculated above, as a table home loan and calculate the monthly amount necessary to repay this over 25 years on the Bank's then current home loan variable interest rate, to a maximum of \$48,000 per year (pro rata for any lesser period).

Payments will be made as per the payment frequency for non revolving credit contracts, or monthly on the final day of each month or at such other periods as may be agreed between us and the Bank from time to time.

Recurring claim

If we agree that you have suffered a recurrence of a condition for which we have previously paid a Temporary Disability benefit, and this occurs within six months of the date you returned to work, we will treat the recurrence as a continuation of the earlier claim.

In this event the claim payments will commence immediately and the 30 day qualification period will be waived but the other limitations described below will continue.

Claim payments will stop when the total period for which we have paid the initial and recurrent claims reaches 24 months or when you are no longer Temporarily Disabled, whichever is earlier.

When your claim will begin and end

Once you become Temporarily Disabled for 30 consecutive days, we will pay the Temporary Disability benefit amount(s) as they fall due from the date we accept your claim for Temporary Disability benefit and will continue until the earliest of the following events:

- you are no longer Temporarily Disabled; or
- you are paid a Permanent Disability benefit; or
- you reach the age of 66; or
- the Insured Loan Account(s) are repaid and no amount is owing to the Bank in respect of them; or
- you refuse any medical or surgical treatment, or refuse to follow a suitable rehabilitation programme recommended by a Medical Practitioner or appropriate specialist; or
- Kiwi Insurance accepts, or chooses to pay a claim under the Death and Terminal Illness benefit, or Permanent Disability benefit; or
- you have been paid for 90 days while you are outside of New Zealand; or
- we have paid 24 months of benefits for the same condition.

* The Temporary Disability benefit is subject to a 90 day stand down period. The 90 day stand down period does not apply in cases of Accidental Injury, but does apply to each increase in your loan balance (but only in relation to the additional amount of the loan balance).

Section 5.

The Permanent Disability benefit

Permanent Disability benefit

If you have selected the Permanent Disability benefit, as shown on your policy schedule, and you become Permanently Disabled on or after the Start Date of Insurance, we will pay the Permanent Disability benefit amount as defined below.

Permanent Disability benefit amount

1. **Non-Revolving Credit Contracts:** In respect of your Insured Loan Account(s) which are not Revolving Credit Contracts, we will pay the Cover Percentage of the amount equal to the total outstanding balance of your Insured Loan Account(s) on the Date we accept a claim for your Permanent Disability benefit (or the Date of Temporary Disability where that Temporary Disability is related to your Permanent Disability), not including any portion of the loan account not insured, to a maximum cover amount of \$500,000.
2. **Revolving Credit Contracts:** In respect of any Insured Loan Account(s) that is on a Revolving Credit Contract basis, the amount we will pay will be the lesser of:
 - the Cover Percentage of the amount equal to the actual amount owing on the Insured Loan Account at the date we accept a claim for your Permanent Disability benefit (or the Date of Temporary Disability where that Temporary Disability is related to your Permanent Disability), not including any portion of the loan account not insured; and
 - the Cover Percentage of the amount equal to the average daily amount owing on the Insured Loan Account over the 12 months prior to the Date of Permanent Disability (or the Date of Temporary Disability where that Temporary Disability is related to your Permanent Disability), not including any portion of the loan account not insured; and
 - \$500,000.

When your claim will end

All cover will cease under this Policy once the Permanent Disability benefit has been paid.

Section 6.

The Redundancy benefit

Redundancy benefit

If you have selected the Redundancy benefit as shown on your policy schedule, and you are made Redundant from being in Paid Employment, with a Date of Redundancy that is more than 90 days after the Start Date of Insurance, we will pay the Redundancy benefit amount as defined below.

Redundancy benefit amount

Whilst you are Redundant:

1. **Non-Revolving Credit Contracts:** In respect of your Insured Loan Account(s) which are not Revolving Credit Contracts, we will pay the Cover Percentage of the amount equal to the regular loan repayments of your Insured Loan Account(s), not including any portion of the loan repayment not insured, as they fall due to a maximum of \$24,000 for six months (pro rata for any lesser period).
2. **Revolving Credit Contracts:** In respect of any Insured Loan Account that is on a Revolving Credit Contract basis, we will determine the amount that we will pay as follows:
 - I. We will first calculate the outstanding loan balance on which we will pay. This will be the lesser of:
 - a. the actual amount owing on the Insured Loan Account(s) on the date we accept your claim for Redundancy benefit to a maximum of \$500,000, and not including any portion of the loan repayment not insured; and
 - b. the average daily amount owing on the Insured Loan Account(s) over the 12 months prior to the Date we accept your claim for Redundancy benefit, not including any portion of the loan repayment not insured.
 - II. We will then treat the Cover Percentage of the outstanding loan balance on which we will pay, as calculated above, as a table home loan and calculate the monthly amount necessary to repay this over 25 years on the Bank's then current home loan variable interest rate, to a maximum of \$24,000 for six months (pro rata for any lesser period).
 - III. Payments will be made as per the payment frequency for non revolving credit contracts, or monthly on the final day of each month or at such other periods as may be agreed between us and the Bank from time to time.

When your claim will begin and end

Payments will start from the date we accept your claim for Redundancy benefit and will continue until the earliest of the following events:

- you are no longer Redundant; or
- you reach the age of 66; or
- you do not satisfy us that every endeavour is being made to obtain full time employment (this includes during your 30 day wait period); or
- the Insured Loan Account(s) is repaid and no amount is owing to the Bank; or
- we have paid the Redundancy benefit for six months.

You may claim more than once under the Redundancy benefit. However, you must have returned to Paid Employment for a minimum period of six months, and the total of all claim payments under the Redundancy benefit will not exceed \$50,000.

Section 7.

The Policy's exclusions

In addition to the limitations in respect of any claim you make, as described in sections 3 to 6 of this document, Kiwi Insurance will not pay any claim arising from any of the events listed below:

All benefits

Subject to any mandatory law, including the Insurance Law Reform Act 1977, no benefit will be paid if:

- your claim is fraudulent in any respect; or
- any statement on the basis of which your Policy was issued was, for the purposes of the Insurance Law Reform Act 1977, substantially incorrect, material and made either fraudulently or within three years immediately preceding the date on which we seek to avoid the Policy or your death (whichever is earlier); or
- any express or implied term of this Policy is breached; or
- you fail to satisfy Kiwi Insurance's claims requirements.

Death benefit

No benefit will be paid if your death is the direct or indirect result of:

- any Pre-existing Condition which is noted as being excluded on the most recent policy schedule; or
- an intentionally self inflicted injury or suicide or attempted suicide, whether sane or insane, within 13 months of the Start Date of Insurance; or
- any act of War or Terrorism; or
- your participation in any criminal act; or
- any alcohol or drugs taken by you (unless prescribed by a registered doctor and taken as prescribed).

Temporary Disability and Permanent Disability benefits

No claim will be paid if your Temporary Disability or Permanent Disability is the direct or indirect result of:

- any Pre-existing Condition which is noted as being excluded on the most recent policy schedule; or
- an intentionally self-inflicted injury; or
- any act of War or Terrorism; or
- your participation in any criminal act; or

- any alcohol or drugs taken by you (unless prescribed by a registered doctor and taken as prescribed); or
- your complications of pregnancy or childbirth (unless the disability lasts for more than 90 days after the end of the pregnancy).

Redundancy

No claim will be paid if:

- you have not been in continuous Paid Employment for six months; or
- you are in seasonal, part time (i.e. paid employment for less than 25 hours a week) or relief work, or are on a fixed term employment contract; or
- you have taken voluntary Redundancy or have voluntarily resigned or the closure or sale of your own business; or
- you have been dismissed; or
- you have reached the age of 66; or
- you knew about the Redundancy or likelihood of Redundancy before the Start Date of Insurance; or
- you received verbal or written notification of Redundancy within 90 days of the Start Date of Insurance; or
- the Redundancy results from a strike or labour dispute involving you and/or your employer; or
- you are receiving a Temporary Disability benefit under the Policy; or
- you returned to continuous Paid Employment for less than six months since the previous Redundancy benefit claim.

Kiwi Insurance reserves the right to decline your Redundancy claim or limit the claim payments if you refuse any offer of employment for which you are Reasonably Suited, or you have not registered with an appropriate employment agency and do not provide ongoing proof you are actively seeking Paid Employment.

Section 8.

The Policy's definitions

The important words and terms used throughout the Policy have the following meanings:

Accidental Injury means bodily injury caused by violent, accidental, external and visible means occurring on or after the Start Date of Insurance.

Activity of Daily Living means the following activities of the life insured

- i. bathing and/or showering;
- ii. dressing and/or undressing;
- iii. eating and/or drinking;
- iv. using the toilet; and
- v. getting in and out of bed or wheelchair.

Cover Percentage means the percentage of lending cover as shown in the most recent policy schedule.

Date of Permanent Disability means the day we accept a claim for your Permanent Disablement.

Date of Redundancy means the effective date of Redundancy by your employer.

Date of Temporary Disability means the date you become Temporarily Disabled.

Insured Loan Account(s) means the Kiwibank Home Loan accounts specified on your most recent policy schedule.

Material Information means all the relevant information that Kiwi Insurance requires, acting prudently, in order to decide the terms relating to your Policy. It includes, but is not limited to, information about your health, medical history, occupation and income.

Medical Practitioner means a registered and qualified medical practitioner in New Zealand or in another country, as approved by us, who is not you or your business partner or another immediate family member of yours.

Paid Employment means work in which you are employed in New Zealand, by a single employer other than yourself, for at least 25 hours a week, and not employed by a company or limited partnership or other employer of which you or your immediate family have/has direct or indirect control over.

Permanently Disabled/Permanent Disability means you are entirely prevented solely as a result of your Sickness or Accidental Injury, for six consecutive months, from working in any occupation for which you are Reasonably Suited based on your experience, training and education and, the Sickness or Accidental Injury will, in all probability, prevent you from ever being able to work at any time in the future.

If you were not engaged in any occupation for financial reward, for more than 25 hours per week, as at the Date of Permanent Disability, Permanently Disabled/Permanent Disability means you are permanently unable to perform at least three out of five Activities of Daily Living without any assistance from another person, solely as a result of your Sickness or Accidental Injury.

Pre-existing Condition means any injury, sickness or degenerative condition existing or diagnosed, or for which you should reasonably have sought advice or treatment at, or prior to the Start Date of Insurance.

Reasonably Suited means any type of work which, in Kiwi Insurance's opinion, you could reasonably be expected to do based on your education, training or previous work experience.

Redundant/Redundancy means that you were in continuous Paid Employment for the previous six months and have become and remain unemployed involuntarily for at least 30 consecutive days after the Start Date of Insurance because your position was no longer required and therefore disestablished by your employer.

Revolving Credit means any amount of your home loan that is a revolving credit account.

Sickness means any illness or disease which commences on or after the Start Date of Insurance.

Start Date of Insurance means the date on which your cover commenced as stated on your most recent policy schedule.

Temporarily Disabled/Temporary Disability means that you are entirely prevented solely as a result of Sickness or Accidental Injury from being able to work in any occupation for which you are Reasonably Suited based on your experience, training and education or if you were not working up to the Date of Temporary Disablement, you are unable to perform at least three out of five Activities of Daily Living without any assistance from another person.

Terminal Illness/Terminally Ill means an illness that, in the opinion of an appropriate Medical Practitioner approved by us, is likely to lead to death of the insured within 12 months from the date that opinion was provided to us.

Terrorism means the use or threatened use of force or violence against human life or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organisation, government, power, authority or military force, when the intent is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

War means war whether declared or not, or any warlike activities including use of military force by any sovereign nation to achieve economic, geographic, nationalistic, political, racial or religious ends.

Section 9.

How to make a claim

If you need to make a claim against your Home Loan Insurance Policy you should contact Kiwi Insurance as soon as possible and no later than six months from the event leading to your claim. Kiwi Insurance may accept claims after this date at its sole discretion, or as required to by law.

You can contact us on our Helpline:

0800 222 491

We will register your enquiry, send you a claim form and let you know what additional information we'll need you to return to us with the claim form. If this includes medical information it must be provided by your GP and/or any Medical Practitioner(s) who have treated you.

You'll be required to meet the cost of providing this initial information but if further medical evidence is then required in order to assess your claim, this will be at Kiwi Insurance's expense.

The information we'll require you to return with your claim form will vary depending on the type of claim you're making and will usually include, but is not limited to:

Death:

A certified copy of your death certificate showing the cause of death.

Terminal Illness, Temporary Disability and Permanent Disability:

- Completion of an initial statement from a Medical Practitioner, usually your GP; and
- Any other supporting information that we think will be relevant to your claim.

Redundancy:

- A statement from your employer confirming that you have been made Redundant; and
- Evidence that you are unemployed, registered with an employment agency and actively seeking Paid Employment.

Kiwi Insurance Limited

Home Loan Insurance is provided by Kiwi Insurance Limited and Kiwi Insurance Limited is solely responsible for any claims under the policy. Kiwibank Limited does not guarantee the obligations of, or any products provided by, Kiwi Insurance Limited. Kiwibank Limited may receive a commission on any policy it arranges.

Contact Details

If at any time you have an enquiry or complaint about your Policy, you can contact us:

- By writing: Kiwi Insurance Limited
Private Bag 39888,
Wellington 5045
- By phone: 0800 222 491
between 8:30am and 5:00pm
Monday to Friday
- By email through Kiwibank: Insure@kiwibank.co.nz
- Through Kiwibank’s website: www.kiwibank.co.nz

Complaints Resolution

If you are not satisfied with the way Kiwi Insurance resolves your enquiry or complaint, you may refer the matter to the Banking Ombudsman. The Banking Ombudsman's brochures are available at all of our branches or directly from the Banking Ombudsman's office whose details are below:

Address: Level 5
 Huddart Parker Building
 1 Post Office Square
 Wellington 6011; or

 Freepost 218002
 PO Box 25327
 Featherston Street
 Wellington 6146

Phone: 0800 805 950

The Banking Ombudsman is an independent body whose services are available to you at no cost.

