

kiwi bank

# Kiwibank Personal Loan Insurance

Policy Wording





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## Section A: General Policy Terms

### The Policy

This policy wording and the Policy Schedule (this Policy) describe the insurance contract between the Policy Owner(s) and CIGNA Life Insurance New Zealand Limited (CIGNA). In return for premium payments, CIGNA insures the Life Insured(s) on the terms and conditions specified in this policy wording.

Subject to the terms and conditions of this Policy, CIGNA will pay all benefits payable under this Policy to Kiwibank Limited (Kiwibank) for the credit of the insured Kiwibank personal loan account.

The meanings of certain words used in this Policy are described under "Policy Definitions", in Section B.

### Who is offering this insurance?

This Policy is arranged by Kiwibank and is issued by CIGNA who agrees to insure Kiwibank personal loan account holders. Kiwibank receives a commission for arranging Kiwibank Personal Loan Insurance. Kiwibank does not guarantee the obligations of CIGNA, and if CIGNA refuses a claim, Kiwibank will not be liable.

### Who is covered by this Policy?

The Life Insured(s) named in the Policy Schedule is/are covered by this Policy.

### What account is covered?

The Kiwibank personal loan account, as shown in the Policy Schedule, is covered by this Policy.

### Who is the Policy Owner?

The Policy Owner(s) is/are the Life Insured(s) named in the Policy Schedule. This Policy cannot be assigned.

### Cover Start Date

The Cover Start Date is the date shown in the Policy Schedule.

### Free look period

The Policy Owner(s) has/have 30 days, from the Cover Start Date, in which to cancel this Policy by advising CIGNA. If this Policy is cancelled during this 30 day period, then CIGNA will provide a full refund of any premiums paid and written confirmation that this Policy has been cancelled.

## The insurance promise

Under the terms of this Policy, CIGNA promises to pay the benefits, as set out in the Policy Schedule, if a Life Insured:

- becomes Temporarily Disabled;
- becomes Permanently Disabled;
- dies;
- is made Redundant from Paid Employment;
- is declared Bankrupt while Self-employed.

The terms and conditions of each benefit, including important qualifications and exclusions that apply to the insurance promise, are set out in Sections C to H.

## The premium

The premium payable is shown in the Policy Schedule. The premium is charged monthly to the insured Kiwibank personal loan account and is calculated on the Outstanding Debit Balance as shown in the monthly loan statement at the closing date of that statement. The Policy Owner(s) will be notified in writing if the premium rate changes.

## Limitation of cover

### **Paid work**

In order to qualify for the Temporary Disablement, Permanent Disablement, Redundancy and Bankruptcy benefits, a Life Insured must be in paid work for more than 25 hours per week. If a Life Insured's hours of paid work drop below 25 hours per week, or if a Life Insured stops paid work entirely, he/she will be insured for the Death benefit only, until he/she recommences paid work sufficient to qualify for the additional benefits.

### **Maximum limit**

The total amount CIGNA will pay under this Policy, for one or more claims in respect of an insured personal loan account, will never exceed the total Loan Instalments necessary to fully repay the lesser of the Outstanding Debit Balance or a loan amount of \$30,000.

### **Concurrent claims**

Where this Policy has two Life Insureds, and both Life Insureds have concurrent claims accepted by CIGNA, CIGNA will pay the larger of the two benefits, within the maximum limit set out above.

## Variation of Policy terms

CIGNA may vary any of the terms and conditions of this Policy. CIGNA will provide notification in writing to the Policy Owner(s) at least 30 days before any changes take effect. Notice will be mailed to the most recent address CIGNA has on record for each Policy Owner. It is a Policy Owner's responsibility to maintain current address details with CIGNA.

## End of insurance

This Policy ends when one of the following occurs:

- the insured Kiwibank personal loan account is closed by the personal loan account holder or Kiwibank for any reason; or
- the Policy Owner(s) notifies CIGNA that the Policy is to be cancelled; or
- a premium remains unpaid for 30 days; or
- the Policy is cancelled by CIGNA by giving 90 days' notice in writing to each Policy Owner at his or her last known address; or
- CIGNA pays a Permanent Disablement or Death benefit.

Cover for a Life Insured will end when he/she turns 65.

If the Kiwibank personal loan account has two Life Insureds, and cover ends in respect of one Life Insured, cover may continue on the remaining Life Insured in which case the premium will be adjusted to that applicable for a single Life Insured.

## Section B: Policy Definitions

**Accidental Injury** means:

bodily injury caused by violent, accidental, external and visible means occurring after the Cover Start Date.

**Bankrupt / Bankruptcy** means:

the Court has declared a Life Insured bankrupt as a result of his/her creditors asking the Court to do so.

**Illness** means:

any sickness or disease which first occurred at least 14 days after the Cover Start Date.

**Loan Instalment** means:

the minimum regular monthly instalment necessary to repay the Outstanding Debit Balance over the remaining term of the loan. This is regardless of whether the standard payments under the loan would ordinarily be paid weekly or fortnightly. This includes the monthly premium charged in respect of Kiwibank Personal Loan Insurance.

**Outstanding Debit Balance** means:

the total unpaid debit balance on the insured Kiwibank personal loan account at the date of any event for which a claim is made, or may be made, under this Policy.

**Paid Employment** means:

a Life Insured is in paid work for 25 hours or more per week for an employer(s) other than himself/herself.

**Permanently Disabled / Permanent Disablement** means:

a Life Insured is, solely as a result of his/her Accidental Injury or Illness, entirely prevented, for 6 months in a row, from working in any occupation for which he/she is Reasonably Suited and the Accidental Injury or Illness will, in all probability, prevent the Life Insured from ever being able to work.

**Pre-existing Condition** means:

any injury, illness or degenerative condition existing or diagnosed, or for which a Life Insured should reasonably have received medical advice or treatment, at or prior to, the Cover Start Date.

**Reasonably Suited** means:

the type of work a Life Insured would, in CIGNA's opinion, reasonably be able to do because of his/her education, training or experience.

**Redundant / Redundancy** means:

a Life Insured is unemployed for at least 30 days in a row because his/her position is disestablished, as it is no longer needed by his/her employer.

**Self-employed / Self-employment** means:

a Life Insured is employed by a company of which he/she or his/her immediate family has/have direct or indirect control, or a Life Insured works for himself/herself in the capacity of a self employed contractor, sole trader, partner in a partnership, or otherwise, for remuneration for 25 hours or more per week.

**Temporarily Disabled / Temporary Disablement** means:

a Life Insured is, solely as a result of his/her Accidental Injury or Illness, entirely prevented from working, for 30 days in a row, in any occupation for which he/she is Reasonably Suited.

**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 C: Temporary Disablement benefit

### How the Temporary Disablement benefit works

Provided that a Life Insured is:

- in Paid Employment; or
- Self-employed,

if he/she becomes Temporarily Disabled, then each month, while the Life Insured remains Temporarily Disabled, CIGNA will pay the Loan Instalment(s) until the earliest of the following:

- the Life Insured is no longer Temporarily Disabled; or
- a maximum of 60 monthly Loan Instalments have been made; or
- the Outstanding Debit Balance has been repaid in full; or
- the end of the loan term is reached.

### How the Temporary Disablement benefit works when a Life Insured claims more than once

When a claim has been paid for Temporary Disablement, CIGNA will not pay a new claim in respect of that Life Insured until the Life Insured has returned either to Paid Employment or Self-employment, for a continuous period of at least 6 months.

However, if the Life Insured suffers a relapse from the same or a related cause as the initial disablement within 6 months of the original claim, CIGNA will continue to pay the Loan Instalments from the date the Life Insured became Temporarily Disabled as a result of the relapse.

### Situations in which CIGNA will not pay the Temporary Disablement benefit

CIGNA will not pay a claim if the Life Insured's Temporary Disablement is caused by or contributed to by any exclusion stated in Section F.

## Section D: Permanent Disablement benefit

### How the Permanent Disablement benefit works

Provided that a Life Insured is:

- in Paid Employment; or
- Self-employed,

if he/she becomes Permanently Disabled CIGNA will pay the Outstanding Debit Balance owing at the date CIGNA considers the Life Insured to be Permanently Disabled, up to a maximum of \$30,000.

### Situations in which CIGNA will not pay the Permanent Disablement benefit

CIGNA will not pay a claim if the Life Insured's Permanent Disablement is caused by or contributed to by any exclusion stated in Section F.

## Section E: Death benefit

### How the Death benefit works

If a Life Insured dies then CIGNA will pay the Outstanding Debit Balance owing at the date of the Life Insured's death, up to a maximum of \$30,000.

### Situations in which CIGNA will not pay the Death benefit

CIGNA will not pay a claim if the Life Insured's death is caused by or contributed to by any exclusion stated in Section F.

## Section F: Exclusions

### **The following exclusions apply to Sections C, D and E.**

CIGNA will not pay a claim if the Life Insured's Temporary Disablement, Permanent Disablement or Death is caused by or contributed to by:

- any Pre-existing Condition; or
- any psychiatric, mental or nervous disorder including stress and stress related conditions; or
- intentionally self-inflicted injury; or
- alcohol or drugs taken by the Life Insured (unless prescribed by a registered doctor and taken as prescribed); or
- backache and related conditions, however, where backache and related conditions exist with radiologically proven abnormalities, this exclusion does not apply; or
- any medical treatment or surgical procedure which is not essential for medical reasons and is requested by the Life Insured for psychological, personal or cosmetic reasons; or
- service in any armed force including any police force of a country; or
- pregnancy, termination of pregnancy, or complications arising from childbirth; or
- War or any act of War, invasion, Terrorism or any acts of Terrorism, act of a foreign enemy, hostilities, strike, riot and/or civil commotion, civil War, rebellion, revolution, insurrection, military or usurped power; or
- any condition which is, or results from, or is a complication of, infection with Human Immunodeficiency Virus (HIV), or any variance including Acquired Immune Deficiency Syndrome (AIDS) and AIDS Related Complex (ARC).

## Section G: Redundancy benefit

### How the Redundancy benefit works

Provided that a Life Insured is in Paid Employment for a continuous period of 6 months or more, if he/she is made Redundant, then each month, from the date the Life Insured stopped work, CIGNA will pay the Loan Instalment(s). CIGNA will continue payments until the earliest of the following:

- the Life Insured returns to work; or
- a maximum of 6 monthly Loan Instalments are paid; or
- the Outstanding Debit Balance has been repaid in full; or
- the end of the loan term is reached.

Redundancy cover does not apply to anyone who:

- is Self-employed; or
- is employed in seasonal work, part time work, relief work or on a defined-period employment contract; or
- takes voluntary Redundancy; or
- is dismissed; or
- voluntarily resigns.

### How the Redundancy benefit works when a Life Insured claims more than once

When a claim has been paid for Redundancy, CIGNA will not pay a new claim in respect of that Life Insured until he/she has returned to Paid Employment for a continuous period of at least 6 months.

### Situations in which CIGNA will not pay the Redundancy benefit

CIGNA will not pay a claim if:

- the Redundancy, or the likelihood of Redundancy, was known by the Life Insured prior to the Cover Start Date; or
- written or verbal notification of Redundancy occurs within 60 days of the Cover Start Date; or
- a Life Insured is receiving a Temporary Disablement benefit; or
- Redundancy results from a strike or labour dispute involving the Life Insured or his/her employer.

## Section H: Bankruptcy benefit

### How the Bankruptcy benefit works

Provided that a Life Insured is Self-employed, if he/she becomes Bankrupt more than 6 months after the Cover Start Date, then CIGNA will pay the Outstanding Debit Balance owing at the date of the Life Insured's Bankruptcy.

## Section I: Claims

To make a claim under this Policy a claim form must be completed and sent to CIGNA together with any other information to support the claim, at the Policy Owner(s)'s expense, as reasonably requested by CIGNA. Other supporting documents required may include, but are not limited to, those indicated in the sub-headings below.

All medical information must be provided by appropriately qualified specialist medical practitioners registered in New Zealand or Australia (or any other country approved by CIGNA).

As required, CIGNA, at its expense, may consult medical advisers to assist in the assessment of Temporary Disablement, Permanent Disablement and Death claims.

### Temporary or Permanent Disablement

For a Temporary Disablement or Permanent Disablement benefit payment to be considered, CIGNA must be supplied with the following, at the Policy Owner(s)'s expense:

- an initial medical attendant's statement; and
- any other supporting information that CIGNA considers relevant that may assist CIGNA in the assessment of the claim.

### Death

For a Death benefit payment to be considered, CIGNA must be supplied with a final death certificate showing the Life Insured's cause of death.

## Redundancy

For a Redundancy benefit payment to be considered, CIGNA must be supplied with the following, at the Policy Owner(s)'s expense:

- confirmation of the Redundancy from the Life Insured's employer; and
- adequate ongoing proof that the Life Insured is actively seeking Paid Employment.

If the Life Insured is offered and refuses employment for which he/she is Reasonably Suited CIGNA may refuse to pay further benefits under the claim.

## Bankruptcy

For a Bankruptcy benefit payment to be considered, CIGNA must be supplied with a certified copy of the High Court order adjudging the Life Insured to be Bankrupt, or other similar documentation.



## How to contact us to ask questions or to make a claim.

By phone **0800 154 805**

By email coverage, premiums and other queries:  
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