

## Welcome to Asteron

Asteron Life Limited is the insurance company providing this policy. Asteron is delighted to be giving you peace of mind that your family should be able to pay your mortgage off when you die.

Asteron's contact details are:

Asteron House

139 The Terrace, PO Box 3344

Wellington, New Zealand

Telephone 0800 808 222

Fax 0800 808 213

Please call us if you need any help.

## Overview of this policy

Under this policy, cover is for:

- terminal illness, or
- death.

**Note** that this policy has no cash value, so we will not pay any money if the Policy Owner decides to cancel the policy.

## Understanding this policy

Please carefully read this Policy Wording and the separate Policy Summary that goes with it.

- This Policy Wording contains important information about the policy. For example, it explains what benefits will be paid, what exclusions apply and how to make a claim.
- Your Policy Summary contains important information specific to you. For example, it sets out who the Person Insured is, who the Policy Owner is, the Cover and Premium Amounts that apply when the policy starts, and any special conditions.

In this Policy Wording, "you" means the Person Insured or the Policy Owner, depending on the context. Once you have read and understood this Policy Wording and your Policy Summary, please keep them in a safe place. You will need them to make a claim.

### 1. Death or Terminal Illness Benefit

We will pay the Cover Amount as shown on your Policy Summary if:

- you are diagnosed as having a Terminal Illness, or
- you die.

The diagnosis or death must occur after the date your Cover Starts and before the date your Cover Ends. The benefit will be the Cover Amount that applies at the date of diagnosis or death.

Under this policy you will be paid either the Death Benefit less any Funeral Support Benefit already paid, or the Terminal Illness Benefit.

### 2. What is a "Terminal Illness"?

A "Terminal Illness" is one which, in the opinion of a doctor approved by us, will result in death within 12 months.

### 3. Funeral Support Benefit

We will pay a \$5,000 Funeral Support Benefit if you die after the date your Cover Starts and before the date your Cover Ends. This will be deducted from any later payment of the Death Benefit.

### 4. How is the Cover Amount calculated?

When your Cover Starts, the Cover Amount is the amount shown on your Policy Summary.

On each anniversary of the date your Cover Starts, the Cover Amount will be increased, up to a maximum of \$500,000.

The Cover Amount will be increased by:

- the same percentage as the increase in the Consumers Price Index (CPI) for the year ending on the previous 31 March to a maximum of 10%, or
- a minimum of 2% if the CPI is less than 2%.

If the increase in CPI for that year is not available on the anniversary date, we will use the increase in CPI for the previous year. If the CPI is no longer published, we will choose an alternative index.

We will write to you 28 days before the anniversary date of your policy to tell you about changes to your Cover Amount and Premium Amount.

### 5. Special Events Benefit Increase

You can increase your Cover Amount without any health questions if either of the following Special Events happens.

- You increase your mortgage on your main residence by more than \$25,000. We will require evidence of your new mortgage amount.
- You or your partner gives birth to or adopts a child. We will require a copy of the birth or adoption certificate.

If you want to increase your Cover Amount because of a Special Event, you must ask us to increase your cover within 60 days of the event happening. If you do not ask us to

increase your Cover Amount within the 60 days, we will not be able to increase your cover.

If you increase your Cover Amount, your Premium Amount will increase.

The maximum increase to your Cover Amount for each Special Event is the lowest of:

- 50% of your Cover Amount at the date your policy started
- the amount of the mortgage increase
- \$100,000.

The Special Events Benefit Increase will not apply if you are entitled to make a claim or if we have paid a benefit under this policy.

#### **6. Premium Freeze Benefit**

You can “freeze” your premiums from the anniversary of the start date of your policy. This means that your premiums will stay the same each year.

If you freeze your premiums, we will reduce your Cover Amount to a level that your fixed premium is able to buy based on your current age, gender, smoking status, and any relevant health conditions.

You may “unfreeze” your premiums from the next anniversary of your policy starting.

#### **7. What exclusions apply?**

We will not pay claims if the death occurs as a direct or indirect result of:

- you committing suicide within 13 months of the date your Cover Starts or restarts
- you committing suicide within 13 months of the date of an increase to the Cover Amount, for the extra amount only
- you participating in a criminal or illegal act
- an event that is excluded from cover (this will be shown in the Special Notes on your Policy Summary).

#### **8. When does the cover start and end?**

Your cover under this policy begins on the date your Cover Starts shown on your Policy Summary.

Your cover ends on the earliest of:

- your death
- a Terminal Illness claim being accepted
- the date the Policy Owner cancels this policy
- 30 days after you miss a premium payment.

If your policy ends because of an unpaid premium, you can apply to us to restart your policy. You must apply within 12 months of your policy ending. We will set the conditions for restarting your policy and will tell you in writing if and when it is restarted.

#### **9. How to claim**

To make a claim, contact Asteron on 0800 808 222 or write to Asteron Direct Claims, PO Box 3344, Wellington. We will tell you what evidence we need. The Policy Owner or your estate is responsible for the cost of providing this evidence.

When a claim for Terminal Illness is made, we may require you to have one or more medical examinations at our expense.

We will not make any payments until:

- we have satisfactory proof of your age, and
- we have acceptable evidence of the identity and legal title of the person making the claim, and
- we are satisfied that the claim is legal and valid, and
- we have received the information necessary for our assessment of the claim.

The total maximum cover available under any AA Life Mortgage Protection Insurance policy or policies issued by Asteron is \$500,000.

#### **10. Who will the benefits be paid to?**

If you have chosen to own a Mortgage Protection Insurance policy jointly, we will pay the benefits of this policy to any surviving Policy Owner. We will usually pay the benefit within 48 hours of the claim being accepted. If you do not have a joint owner, we will make the payment to the Policy Owner or the Policy Owner's estate.

#### **11. Information you provide must be correct**

We have issued this policy in good faith believing that the Policy Owner and the Person Insured have:

- completely and truthfully answered all our questions
- told us any information that would influence our decision to offer insurance, increase benefits, or restart the policy.

If we find that we were given any incorrect information at any time or information has been withheld, we can cancel the policy from the beginning or reduce the benefits.

If we find that your date of birth is wrong on the Policy Summary, then we can:

- adjust the benefits to the amounts that we would have paid if we had known the right date of birth, or
- adjust the premiums to the amounts that should have been paid if we had known the right date of birth.

#### **12. Premium information**

The beginning Premium Amount is set out in your Policy Summary and must be paid in New Zealand dollars by a payment method approved by us.

We will give you 28 days written notice of any premium increase, posted to your last known address. The notice is considered to have been received by you on the third day after posting.

#### **13. Other matters**

- When your policy starts Asteron will pay a commission to AA Life.
- This policy will be interpreted according to New Zealand law.