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## Business Insurance Programme (BIP) Fact Sheet

### Profile

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Investment type	Unit linked Life Insurance Savings Plan with optional insured benefits
Product Commencement	May 1991(Prudential)
Product Closure	No longer sold from April 2001. From 1 July 2010 closed for contribution increases and lump sums.
Product Disclosure Statement	A PDS is not required for products which are no longer on sale. Please refer to the last issued Investment Statement at the end of this document.

### Tax

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Tax	28% tax paid at investment fund level and deducted during unit pricing
PIE status	Not a PIE compliant product. This product only has 'quasi-PIE' status – that is, no tax on capital gains on Australasian equities

### Fees and charges

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Regular Contribution Fee	0%
Annual management fee	Deducted from the unit price:  4.35% - Foundation Units (3.25% for the Capital Fund) 1.35% - Accumulator Units (0.25% for the Capital Fund) 1.10% - Extra Accumulator Units (0.25% for the Capital Fund)
Policy/Administration fee	\$6.46 per month (2021) – Fee is CPI indexed annually

### Commission

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Commission – regular contributions	0%
Trail Commission	0.4% p.a. (payable at the end of each month on the cash value of the previous month)

### Features

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Investment Funds	Choice of 4 funds – 3 diversified funds: Capital Stable, Balanced, Entrepreneurial and a single sector Capital fund (100% cash).
Risk Benefits	Death or TPD available
Loyalty	Lower fees apply after 15 years or the end of the funding period. See policy for details



Withdrawals

Cash value payable (less any grace period debt) if withdrawal is before end of funding period. Full fund value is available at the end of the funding period. Difference between cash value and fund value reflects penalty for early withdrawal and any grace period debt.

## Investment strategy

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Investment Style

Passive

Hedging

50% on exposure to the SuperLife Overseas Shares Fund, 100% on exposure to the SuperLife Overseas Bond Fund

Fund Manager

AIA

Underlying Funds

Varies by asset class. For details see SuperLife Funds for each Asset Class in the Document Library

Asset Allocations

For information on the asset allocation of available Funds and FUM fees, see Unit Linked Product Asset Allocations in the Document Library

Date: February 2023

PRUDENTIAL 

# BUSINESS INSURANCE PROGRAMME

A savings plan that helps you  
save for your medium to long term  
business and personal goals



INVESTMENT  
STATEMENT

## IMPORTANT INFORMATION

The information in this section is required under the Securities Act 1978

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

### CHOOSING AN INVESTMENT

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

### CHOOSING AN INVESTMENT ADVISOR

You have the right to request from any investment advisor a written disclosure statement stating his or her experience and qualifications to give advice. The document will tell you –

- Whether the advisor gives advice about particular types of investments; and
- Whether the advice is limited to the investments offered by one or more particular financial organisations; and
- Whether the advisor will receive a commission or other benefits from advising you.

You are strongly encouraged to request that statement. An investment advisor commits an offence if he or she does not provide you with a written disclosure statement within five working days of your request. You must make the request at the time the advice is given or within one month of receiving the advice.

In addition –

- If an investment advisor has any convictions for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- If an investment advisor receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the advisor what the purpose of your investment is. This is important because different investments are suitable for different purposes.

# What sort of investment is this?

## ABOUT THE PRUDENTIAL BUSINESS INSURANCE PROGRAMME

The Prudential Business Insurance Programme has been specifically created to help you meet the medium to longer term financial goals you have for yourself and your business. These goals could include:

- Developing a retirement 'nest-egg' for you and your staff;
- Buying out a partner's business interest;
- Providing incentives to retain key staff; or
- Protecting your business against the death or disablement of a partner or shareholder.

Although the Business Insurance Programme has been developed for businesses, the plan serves just as well as a medium to long term personal savings plan.

When you reach your savings goal you have access to a lump sum payment to use as you wish. Options can include taking some or all of the lump sum, or investing the funds on an ongoing basis.

One of the key advantages of the Prudential Business Insurance Programme is that your funds are pooled with those of other investors. This means that you can put your money to work for you in a wider range of investments than you would normally have access to as an individual investor. These pooled funds can generally earn higher

returns with a lower level of risk than a single investment.

The Prudential Business Insurance Programme lets you choose which investment funds you want to put your money in – each offers a different mix of shares, cash, fixed interest and property investments – both in New Zealand and internationally. These are explained on page 7.

This plan is an investment-linked life insurance policy. What that means is that the money you put in buys you a certain number of units, or a share of the investment fund you have chosen. The value of those units relates to the value of the assets (i.e. shares, property and fixed interest) within the investment fund you have chosen. You do not however have any ownership of, or right to, any of these underlying assets.

So to work out how much your investment is worth, all you need to know is how many units you hold and in which fund. You simply multiply this by the unit price (but more on that on page 6.)

Your plan may also include one of the two optional insurance covers – in the form of life cover or life cover with a total and permanent disablement option. These are detailed on page 5.

The Prudential Business Insurance Programme is a life insurance contract between Prudential and you, the policy owner.

# Who is involved in providing it for me?

## ABOUT PRUDENTIAL

Prudential has been looking after the financial security of New Zealanders for more than 75 years. In New Zealand, Prudential has nearly 300,000 customers with funds under management of around NZ\$2.3 billion.

Our ultimate parent company, Prudential Corporation plc, has been operating for 150 years and is one of the world's largest financial organisations. Globally, Prudential has funds under management of more than NZ\$230 billion. Neither Prudential Corporation plc, nor any other company in the Prudential group, guarantees this investment.

The Prudential Business Insurance Programme was established in 1991 and is promoted and issued by The Prudential Assurance Company New Zealand Limited (Prudential).

## THE FULL RANGE OF FINANCIAL SERVICES

Prudential offers a full range of savings, investment and insurance products. Our savings solutions include a range of superannuation schemes, unit trusts and insurance bonds. And to ensure that your savings are not eroded by the unexpected, Prudential also offers the full range of personal insurance plans including critical illness cover, income protection and life insurance cover.

## FUND PERFORMANCE

Prudential Fund Managers Australia Limited (PFM) is responsible for the management of Prudential's funds under management, including the funds in the Prudential Business Insurance Programme. PFM is part of Prudential's worldwide investment arm, located in the key markets of Hong Kong, Chicago, London and Sydney.

## CONTACT DETAILS

*The promoter and issuer can be contacted at:*

**The Prudential Assurance Company  
New Zealand Limited**

332-340 Lambton Quay

PO Box 291

Wellington

Phone 0800 ASK PRU (275 778)

Fax 0800 FAX PRU (329 778)

*The fund manager can be contacted at:*

**Prudential Fund Managers Australia Limited**

39-49 Martin Place

GPO 4149

Sydney, Australia.

## IMPORTANT NOTE Changes to "Who is involved in providing it for me?"

On 30 September 1998 Prudential became part of the Colonial Group. As a result, some information in this section changes:

- Colonial Limited (ACN 074 042 112) replaces Prudential Corporation plc as Prudential's ultimate parent company.
- Colonial First State Investments (NZ) Limited is the new fund manager.
- The directors of the issuer and promoter have been replaced with persons appointed by Colonial. The following become promoters as a result of becoming directors of The Prudential Assurance Company of New Zealand Limited: Alan Edward Beanland (Melbourne); Christopher Alan Edwards (Melbourne); Robert John Garnsworthy (London); David Andrew Harrop (Auckland); Howard Ramon Horder (Wellington); Shane McNally (Sydney); David John May (Wellington); Julian Roxby Moore (Wellington) and Enzo Silverii (Wellington).
- The promoter, the directors of Prudential, the manager and the fund manager can now be contacted at 117 Customhouse Quay, Wellington.

This investment is not guaranteed by Colonial Limited, any other member of the Colonial Group or any other person.

# How much do I pay?

The Prudential Business Insurance Programme is designed so you can make regular contributions towards your savings goals. You can also make one-off lump sum investments.

## REGULAR CONTRIBUTIONS

Most people choose to make their contributions on a monthly, quarterly, half yearly or yearly basis. The following are the minimum contributions for each period.

monthly	\$250	quarterly	\$750
half-yearly	\$1,500	yearly	\$3,000

The easiest way to make your regular contributions is by bank direct debit to Prudential. However, if you would like to pay by cheque, you should cross it 'Not Transferable' and make it out to 'Prudential'.

You can increase your regular contributions at any stage as well as decrease them to the minimum levels outlined above by advising Prudential (increases must be at least \$30 per month).

You can also choose to *index* your contributions to keep pace with inflation. Each year, on the anniversary of your plan, your contributions will increase by five percent or by the annual Consumer Price Index (CPI), whichever is higher. However, before we do this, each year we will write and ask you to decide whether you want the increase to proceed. If you decline this inflation-indexed increase for two consecutive years Prudential will no longer offer you this automatic increase.

One of the benefits of your plan is the ability to stop contributions for a short time if your personal situation means you have to.

However, you can only do this when you have enough funds in your account to cover the charges of your plan while you are not contributing – otherwise your plan will cease. Taking this option will reduce the funds you have in retirement and it is important that you discuss this with your advisor.

**Important Note:** If you miss two or more regular contributions in the first two years of your plan, your plan may cease.

## LUMP SUM CONTRIBUTIONS

You are able to make one-off lump sum contributions at any time to any investment fund. The minimum lump sum investment is \$1,000.

## FREE LOOK PERIOD

If you decide that the Prudential Business Insurance Programme does not suit, you are able to cancel it. However, you must let us know (in writing) within 14 days from when you receive confirmation of your plan. Prudential will then cancel your plan from the date it was issued and give you a full refund.

# What are the charges?

There are two types of regular fees relating to the plan. Regular fees and other fees are payable to Prudential.

## 1. PLAN FEE

A monthly plan fee (sometimes referred to as the policy fee) is deducted from your investment balance to cover the ongoing administration of your funds. This is currently \$3.50 per month but will rise to keep pace with inflation. (Some existing plans may have a higher plan fee than this.)

## 2. INVESTMENT MANAGEMENT FEE

Because your plan is a medium to long term savings plan, the investment management fee is designed so that the longer you stick with the plan, the lower your fees become. Accordingly, your plan may contain up to three different types of investment units which have reducing levels of investment management fees.

These investment units are known as primary units, growth units and growth plus units.

### PRIMARY UNITS

In most cases, up to two-thirds of your first two years' contributions are used to buy primary units. These contributions remain in primary units for the full funding period, after which the value is transferred to purchase growth or growth plus units.

Primary units have an investment management fee of 4.35 percent of their value each year. A proportion of this is deducted daily.

**Note:** Your funding period is usually the number of years you expect to save with the plan until you reach your savings goal.

### GROWTH UNITS

After you've bought the required primary units, your contributions (less contribution fees) including any lump sum investments will buy growth units.

Growth units have a much lower investment management fee of 1.35 percent per annum of their value.

### GROWTH PLUS UNITS

At the end of the funding period or 15 years from commencement of your plan (whichever is later), the value of all primary and growth units is transferred to purchase growth plus units. All contributions made after this point buy growth plus units. Growth plus units have the lowest investment management fee at 1.1 percent per annum of their value. This is your reward for sticking with your savings plan over the long term.

Unit prices are declared each business day and will vary over the year. All unit prices are declared after the investment management fee has been deducted.

### LUMP SUM CONTRIBUTION CHARGE

A charge of up to 3.5 percent of your investment will apply for all lump sum contributions made.

### SWITCHING FEE

You can switch your existing funds between the investment funds whenever you wish. A switch may be delayed to protect the interests of other investors. There is no charge for the first two switches per year, but subsequent switches attract a charge of one percent of funds switched.

### INDIRECT CHARGES

Annual auditors', accounting costs and other expenses are not directly charged to you but are deducted from the total funds.

**Please Note:** Prudential can increase the investment management fee but not to more than twice the shown rate. You and your advisor may decide to have a reduced proportion of contributions purchasing primary units or a reduced funding period which will result in lower fees.



## THE INSURANCE OPTIONS

As part of your Prudential Business Insurance Programme you can also choose to include personal insurance cover. You can insure yourself and up to five others for **Life Cover**, where the benefit is paid out to your estate if you die, or **Life Cover and Total and Permanent Disablement Cover**, where the benefit is paid to your estate if you die or to you if you are disabled.

Within each insurance option you have two choices of cover. You can either choose **Level Cover** which means that you have the same amount of life cover throughout the term of your plan or **Reducing Cover**, which means the amount of life cover reduces as your level of savings rises.

- If your savings contributions are indexed to keep up with inflation, you can also index your insurance cover options. If you decide to decline your insurance inflation-indexed increase for two consecutive years Prudential will no longer offer this automatically.
- When you take out your insurance benefit you will need to nominate the age you want your benefit to expire. This expiry age must be at least ten years greater than your current age.

The cost of insurance will depend on your personal situation and will change each year as decided by Prudential. The factors which affect the cost of your insurance include your age, gender, occupation, health, payment frequency, family medical history, the activities you take part in, the type and level of cover you choose and whether you select a Reducing or Level Cover option.

At the beginning of your plan the cost of insurance cannot be higher than 25 percent of the regular contributions you make but you can choose to increase your contributions at any stage. However, if you increase the level of insurance cover, the increase may be subject to providing further health evidence. The charges for insurance options are deducted from the value of your growth units and are paid to Prudential. In the early years when you may not have growth units, your insurance charges are deferred and remain payable.

Where an insurance benefit has been taken out on a party other than yourself, all benefits claimed are payable to you. All other parties insured are subject to the same insurance benefit requirements and conditions which apply to you. Only the Level Cover option is available for insurance benefits taken out on parties other than yourself.

**Important Note:** When you apply for an insurance option Prudential may accept your application, defer it, exclude certain conditions or pursuits or ask you for increased charges depending on the information you have supplied. If you fail to disclose any information which is relevant to Prudential's decision, your insurance option benefit may be forfeited when you make a claim. Your estate will not receive a Life Cover benefit if you commit suicide within 13 months from the day your insurance benefit is accepted by Prudential.

### TOTAL & PERMANENT DISABLEMENT

means you have been unable to work for six consecutive months due to illness or injury and are unable to return to any work for which you are reasonably suited, based on your training, education and experience. It is also defined as the loss of two limbs, the sight in both eyes, or the loss of one limb and sight in one eye.

This definition may change from time to time but this would not affect any existing cover you have in place.

The benefit will not be payable if it arises directly or indirectly:

- From self-induced injuries;
- While under the influence of drugs;
- From air travel where you were travelling on a non-commercially operated service; or
- From an act of war, riot or civil commotion.

# What returns will I get?

How much your plan is worth depends on a great many things. It is impossible to put a dollar figure on the final value of your plan because of the following influencing factors:

- When you choose to access the funds in your plan (remembering the plan is designed to be most effective over a longer timeframe).
- General market conditions such as economic and political factors which affect the performance of investment markets.
- What the market situation is at the time you choose to receive your funds.
- Which investment funds you have chosen.
- How long you have invested for.
- Whether you chose to select an insurance option or not, and the type of cover you selected.
- The level of contributions you make and whether or not you have stopped contributions for any time.
- The taxes paid by Prudential on interest and earnings.
- Plan fees.

The performance of your plan is dependent on the underlying assets (shares, property, fixed interest investments etc) and how these perform in the market. An important point to remember is that none of the returns, or the capital in your plan are guaranteed by Prudential or any other person. With the Capital Fund, Prudential undertakes that the unit price will not decrease.

Benefits paid to you by Prudential are tax-paid so once you receive your plan's benefit, no further tax needs to be paid by you. Prudential pays tax on the underlying assets at 33 percent in line with current legislation which could change in the future. You may wish to seek specialist tax advice in relation to your particular situation.

## THE INVESTMENT OPTIONS

Your choice of investment fund or funds is an important one which will influence the returns you will get from your plan. Your financial advisor will be able to give you advice about which funds would be suitable for you, taking into account your investment goals, investment timeframe and attitude to risk. Each fund has a mix of different investments. You can choose one or more fund.

To work out the value of your share of the fund, simply multiply the number of units you have by the unit price. The unit price equals the net value of the fund divided by the number of units held by all investors.

Unit prices for each of the investment funds are published in the weekend edition of most major metropolitan newspapers. Unit prices are provided to you six monthly in Prudential's Fundwatch magazine and can also be obtained by calling the Prudential Service Centre on 0800 ASK PRU (275 778).

### **CAPITAL STABLE FUND**

This fund invests mainly in fixed interest investments with a small proportion in New Zealand and overseas shares. The fund's focus is to provide a steady but competitive return. This investment is best suited to a lower risk approach to investing.

### **INTERNATIONAL BALANCED FUND**

This fund is a balance of overseas investments including shares and fixed interest assets. The fund is designed to achieve steady long term returns. This investment is best suited for a balanced, medium to long term approach to investing.

### **BALANCED FUND**

This fund adopts a diversified strategy using a combination of asset categories including fixed interest, property, shares and cash. The fund invests both in New Zealand and internationally and is designed to provide medium to long term gains.

### **INTERNATIONAL GROWTH FUND**

This fund contains a broad mix of international investments including shares and fixed interest. It concentrates on providing long term growth. This fund is suited to a higher risk (more volatile) investment approach with the potential for higher returns than most of the other funds.

### **ENTREPRENEURIAL FUND**

This fund contains a mix of New Zealand and international assets. The fund seeks to provide above average long-term returns through short term trading opportunities. This fund is suited to a higher risk (more volatile) investment approach with the potential for higher returns than the other funds.

### **CAPITAL FUND**

This fund is not available to new investors however existing investors can switch in to it from other funds. The fund invests mainly in bank bills and cash with a focus on providing a steady return. This fund is best suited to a low risk approach to investing as the unit price will not decrease.

- The investment option best suited for you will depend on how long you plan to invest for. A *medium to long term* timeframe generally means at least five years. A *long term* timeframe generally means longer than five years.
- The investment funds are only separate for the purpose of determining returns. They are all assets of Prudential.

## RETURNS DEPEND ON WHEN YOU ACCESS YOUR FUNDS

The actual benefit payable to you will depend on when you access your funds. The Prudential Assurance Company New Zealand Limited is legally liable to pay the benefits to you.

### AT THE END OF THE FUNDING PERIOD

At the end of your funding period, you can choose to receive the full value of your plan, made up of your growth or growth plus units. You also have the choice of using the funds to buy a regular pension or continuing to keep some or all of the funds in your plan.

### BEFORE THE END OF THE FUNDING PERIOD

If you choose to access your funds before the end of your funding period, you can still access the value of your plan – if your plan has been in place for more than two years. You will receive the value of your growth units together with the discounted value of your primary units. (refer to page 11 'How do I cash in my investment' for an outline of the discounts applied).

In extreme circumstances, where it is in the interest of all investors, Prudential may delay payment of your funds.

### ON YOUR DEATH

The amount paid out on your death depends on the amount and type of life cover you have and the expiry age of the insurance option you have chosen.

- If you have Level Cover, your estate will receive the full value of your plan and the life cover amount you have chosen.
- If you have Reducing Cover, your estate will receive *the greater of* the full value of your plan and your nominated insurance cover.
- If you do not have an insurance option, on your death Prudential will pay out to your estate *the greater of* the full value of your plan or your contributions (less any withdrawals) plus five percent.

### IF YOU ARE TOTALLY AND PERMANENTLY DISABLED

The amount paid if you are totally and permanently disabled will depend on the amount and type of cover you have and the expiry age of the policy.

- If you have Level Cover, you will receive the discounted value of your plan and your nominated insurance cover.
- If you have Reducing Cover, you will receive *the greater of* the discounted value of your plan and your nominated insurance cover.
- If you do not have an insurance option and become disabled you will receive the discounted value of your plan as if you cashed it in.

For an explanation of the discounted value see 'How do I cash in my investment?' on page 11.

### ON THE DEATH OR TOTAL AND PERMANENT DISABLEMENT OF ANOTHER LIFE INSURED

You can insure up to five others (lives insured) for Life Cover or Life Cover with Total and Permanent Disablement Cover. If one of these lives insured were to die or suffer total and permanent disablement you (as the policy owner) would receive the following:

- On the death of the life insured you would receive the amount of insurance cover for that person.
- If the life insured suffers a total and permanent disablement and has Life Cover with Total and Permanent Disablement Cover you would receive the amount of cover nominated for that person.

# What are my risks?

There are some risks associated with the Prudential Business Insurance Programme which you should be aware of. Understanding these risks will help you decide if this plan is best suited for achieving your goals. It should also help you understand which investment funds may suit you.

## INVESTMENT RISK

Investment risk refers to the possibility that your investment will actually drop in value and to the volatility (changeable nature) of returns from year to year. All investments involve some risk – generally the higher the risk the greater the potential return.

Higher risk assets such as shares and property are more volatile but have the potential to provide you with a greater return over the longer term. Investments in cash and fixed interest have historically provided a lower return with less volatility. Short term volatility in higher risk assets, such as shares, is generally smoothed out over the longer term.

By spreading your investments across a number of assets, including shares, property, fixed interest and cash, you can reduce your investment risk and short term volatility while still having some exposure to the better performing assets.

You should be aware that, at the time you cash in your investment, if the unit price has fallen below the average price for which you purchased your units you could receive less than you invested. As you get closer to retiring, you and your advisor may decide it is wise to transfer your funds to a lower risk investment option to minimise the possibility of having a reduced value when you come to access the funds.

## INSOLVENCY OF THE PLAN

In the unlikely event that Prudential becomes insolvent, you may not receive all or some of your benefits. However, you would not be required to make any further contributions.

If Prudential is liquidated you would be treated as one of Prudential's unsecured creditors. The claim of unsecured creditors (eg trade suppliers and the IRD) against Prudential's assets would rank behind the claim of secured creditors and any special claims such as staff wages.

## WITHDRAWING IN THE EARLY YEARS

Remember this plan is designed to help you save for your medium to longer term savings goals and should not be surrendered in the early years. If you withdraw in the early years, the value you receive from your plan may be less than the contributions you have made.

## HOW DOES INVESTMENT VOLATILITY HELP MY INVESTMENT?

Though the changeable nature of investments is a risk, it can also be a benefit. When investment markets are down over the short term your contributions buy you more units. Over the longer term, the more units you have, the more money you will have if markets return to or exceed their previous levels. For this reason, it may be a good idea to continue to make your regular contributions regardless of changes in the market and unit price. In fact, when the unit price is down it may make good investment sense, over the longer term, to make additional lump sum contributions in order to buy more 'cheap' units.

# Can the investment be altered?

Your Prudential Business Insurance Programme has been designed to be very flexible and can be tailored to your changing circumstances.

## BY YOU...?

- You can increase your contributions at any time. (The increase is subject to the charges, including primary units, outlined in the "What are the charges?" section.)
- You can decrease your contributions as long as they do not decrease below the minimum level of \$3,000 a year.
- After consulting with your advisor, you may decide, depending on your personal situation, to take a short 'contribution holiday'. This is usually only available after the first two years.
- You can redirect your contributions between the investment funds at any time.
- You can switch your existing investments to other funds as you require (subject to the charges outlined in the "What are the charges?" section).
- You can add lump sums of at least \$1,000 at any time (subject to the charges outlined in the "What are the charges?" section).

- If you have taken an insurance option you may increase or decrease the amount of cover at any time – this will affect the charges payable. This may be subject to providing health evidence or to minimum requirements regarding contributions.

## BY PRUDENTIAL...?

Prudential can amend the rules of the plan in the following circumstances:

- By giving written notice to you to establish further investment funds, providing such amendments do not affect your rights and obligations;
- By written agreement between yourself and Prudential; and
- When Prudential considers it reasonable to make an amendment such as changes in tax or legislation.

Prudential has the ability to alter the charges, including the insurance charges, and the minimum contribution levels of the Prudential Business Insurance Programme.

# How do I cash in my investment?

Prudential's Business Insurance Programme is designed to provide you a means of financing your medium and longer term goals. You have the ability to access all or some of your savings after two years' contributions have been made, or sooner if you make a lump sum investment. In accessing your funds early you lose the benefits of staying with the plan until you reach your savings goal.

## THE WITHDRAWAL VALUE

The withdrawal value of your plan will be calculated as the full value of your growth units together with the discounted value of any primary units (in accordance with the schedule shown), less any plan debts you may have. The different types of units are fully explained in the 'What are the charges' section.

Because for the first two years your contributions usually purchase mostly primary units, in most cases during the early years you will have only a small withdrawal value available. Any lump sum contributions you make buy growth units which have an immediate withdrawal value.

## PARTIAL WITHDRAWALS

You may also make a partial withdrawal. Partial withdrawals are taken from growth units first. If you have a reducing cover insurance option a partial withdrawal will reduce the insurance benefit available to you.

In some instances you may be able to take out a loan against your policy. Your advisor can assist in determining if this is the best option for you.

**SCHEDULE OF PRIMARY UNITS  
AVAILABLE UPON WITHDRAWAL**

<b>Outstanding funding period at withdrawal (years)</b>	<b>% of primary units available on withdrawal</b>
30	0
29	0
28	44
27	45
26	46
25	48
24	49
23	51
22	52
21	54
20	55
19	57
18	59
17	61
16	62
15	64
14	66
13	68
12	70
11	72
10	74
9	77
8	79
7	81
6	84
5	86
4	89
3	92
2	94
1	97
0	100

**Note: There is no withdrawal value for primary units in the first 12 months of your plan. Over the second year the percentage of primary units available increases from zero to that percentage available at the start of the third year.**

You can assign or transfer your plan to another person. Your advisor can assist you with this. In Prudential's view, a limited secondary market may also be available to sell your plan.

Applications for withdrawals or partial withdrawals will normally be completed within seven days. In extreme circumstances, Prudential reserves the right to delay payments.

If you are thinking about cashing in your investment you should always discuss this with your financial advisor first. Your advisor can help you decide what the best course of action may be and help you with the paperwork you require to make it happen.



# Who do I contact with enquiries about my investment?

**Your advisor should always be your first point of contact for any queries you have about your Prudential Business Insurance Programme. If you do not understand some of the features, benefits or fees of your plan your advisor can fully explain these to you.**

Prudential's dedicated Client Service Centres are also available between 8am and 8pm weekdays to answer your enquiries. Please contact the office closest to you:

## IN WELLINGTON

Phone: 0800 ASK PRU (275 778)

by fax: 0800 FAX PRU (329 778)

Client Service Officer  
Prudential Client Service Centre  
Prudential  
332-340 Lambton Quay  
PO Box 291  
Wellington

## IN AUCKLAND

Phone: 0800 800 121

by fax: 09 377 4951

Client Service Officer  
Prudential Client Service Centre  
Prudential  
151 Queen Street  
PO Box 2776  
Auckland

or by e-mail:  
[askpru@prudential.co.nz](mailto:askpru@prudential.co.nz)

# What other information can I obtain about this investment?

This Investment Statement is an overview of the Prudential Business Insurance Programme and more information can be found in the prospectus and policy document.

You are entitled to a copy of the Prudential Business Insurance Programme's prospectus and the latest financial statements. The prospectus summarises the features and benefits of the plan and provides information about Prudential. You can obtain a copy of the prospectus and financial statements, free of charge, by ringing a Prudential Client Service Centre or from the foyer of Prudential, 332-340 Lambton Quay, Wellington, or from Prudential, 151 Queen Street, Auckland.

You will receive a copy of the policy document which is the contract between you and Prudential. Your policy document will prevail should any question arise concerning the rights, benefits or conditions of your plan.

The prospectus and financial statements are also held on the public register of the Companies Office, Ministry of Commerce. These are available for public inspection and copies can be obtained for a fee.

You will also receive a progress report on your investment during the year as well as a regular magazine designed to inform you about your plan and the performance of its investment funds. Unit prices for each of the investment funds are published in the weekend edition of most major metropolitan newspapers.

If you wish to obtain an illustration of your individual plan benefits or a comparison of actual returns against it, please contact your advisor in the first instance or phone your nearest Prudential Client Service Centre.

# So you've decided to invest

Before making the final decision to invest, we recommend that you talk to an experienced financial advisor. They can help you determine if the Prudential Business Insurance Programme is best suited to your personal and business situation and your savings goals.

If you want to plan for your medium to longer term savings goals with a Prudential Business Insurance Programme then simply complete the application form and, if applicable, the direct debit authority. If you require an insurance option, additional information may be required. Your advisor can assist you with this.

Once your application form has been received by Prudential you will be sent specific details of your policy and a policy document. You should keep this information in a safe place. You should also retain this Investment Statement for future reference – it contains a summary of the key information you need to know about the Prudential Business Insurance Programme.

## PLAN FOR THE FUTURE – WHATEVER IT MAY BRING

We strongly recommend that you tell a family member or close friend details about your financial affairs to ensure that, in the event of your death, serious injury or illness, your affairs can be handled appropriately. We also recommend that you make a will to ensure that after your death, your affairs are handled the way you want them to be and without delay or difficulty. Your advisor can assist with information on the best way to have a will completed.

## IS THERE ANYONE TO WHOM I CAN COMPLAIN IF I HAVE PROBLEMS WITH MY INVESTMENT?

If after you've spoken to your advisor you still have queries or a complaint, please contact a Client Services Officer at a Prudential Client Service Centre. If you are not satisfied with the outcome of your enquiry then please refer your complaint to the **Managing Director, Prudential, PO Box 291, 332-340 Lambton Quay, Wellington. Phone 04-470 4700**

If you are not satisfied with the resolution of the complaint through Prudential's internal procedure you can then refer your complaint to the Insurance and Savings Ombudsman, who can be contacted at:

**The Insurance and Savings Ombudsman  
Level 7, BDO House  
99-105 Customhouse Quay  
PO Box 10-845  
Wellington  
Phone: 0800 888 202**

# BUSINESS INSURANCE PROGRAMME

The Prudential Business Insurance Programme has been created to help meet the medium to long term financial goals of you and your business. Whether developing a retirement nest egg for you and your staff, protecting your business against the loss of a partner or shareholder or providing incentives to retain key staff – one thing is certain – the best way to achieve these goals is to put a savings plan in place. Though Prudential's Business Insurance Programme has been developed for businesses, the plan serves just as well as a medium to long term personal savings plan. An effective savings plan should be tailored to suit your needs, be flexible enough to change with your circumstances and priorities and should be provided to you by a large reputable company, with a long term history and tradition of helping New Zealanders reach their goals.

## WHAT ARE THE BENEFITS AND FEATURES OF THE PRUDENTIAL BUSINESS INSURANCE PROGRAMME?

**Prudential's Business Insurance Plan** is designed specifically to help you save for your medium to longer term goals. Your funds are pooled with those of many other investors, providing you the investment benefits usually only available to large corporate investors.

**Simplicity.** It is easy to understand and simple to keep track of.

**Flexibility.** Your plan can be tailored to suit your income and financial situation. You also have a choice of five investment funds and you can change your investment direction at any time.

**Plan guidance.** You don't just purchase the plan but you also get the services of a professional advisor who will work with you to design a plan to best suit your needs.

**Contributions.** You can adjust your contributions as you require, or have them adjusted automatically to keep up with inflation. You can make contributions on the regular basis that you choose and direct debit from your bank account. You may also add additional one-off investments at any time. After the plan has been in place for some time you may be able to temporarily suspend your contributions.

**Professional Management.** Prudential's worldwide team of investment professionals has consistently achieved strong investment results.

**Competitive Fees.** Prudential's fees represent good long term value and are competitive with other savings products available to you. Your advisor can explain these to you.

**Access to your funds.** After you have contributed for two years you can access some or all of your funds as you require them.

**Service.** Any time you require information about your plan you can call your advisor or the Prudential Client Service Centre on 0800 ASK PRU (0800 275 778). Prudential will send you regular progress reports showing you the value of your plan, along with a regular publication to keep you informed on the investment performance of your plan and other information you may find useful and interesting.

**Life and disablement protection.** Allows you to save for your goals and also gives you the option of adding life insurance and disablement cover, for yourself and up to five others, all in one convenient package.

**Free look period.** After your plan has been accepted, and if you are not totally satisfied, you have 14 days to cancel your plan and have all your money refunded.

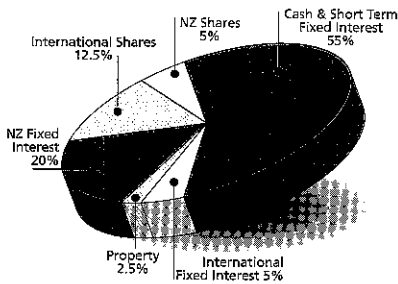
To find out more about saving for your goals or Prudential's Business Insurance Programme talk to a Prudential advisor or phone the Prudential Service Centre on 0800 ASK PRU (0800 275 778).

*Before investing in Prudential's Business Insurance Programme you should read the Investment Statement. It contains the details of how your plan works including an outline of all fees and conditions (and conditions that may apply for insurance benefits). The Investment Statement also contains the application form you need to complete to join the Prudential Business Insurance Programme. You can obtain an Investment Statement from a financial advisor or by contacting Prudential.*

The Prudential Assurance Company New Zealand Limited.  
332-340 Lambton Quay, PO Box 291, Wellington

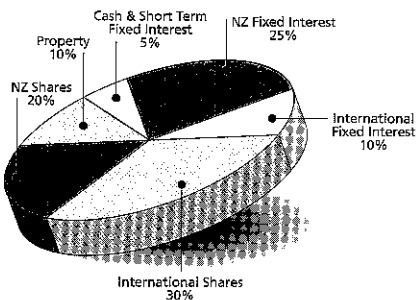
## CHOOSING AN INVESTMENT OPTION FOR YOU

Depending on how long you have until you require your funds and what your attitude to investment risk is, you have five investment portfolios to choose from. The graphs shown indicate a typical asset mix for each investment option and the proportion of each asset can vary at any time.



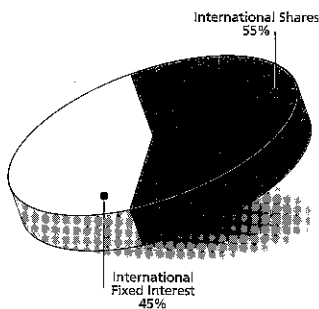
### CAPITAL STABLE

- This fund concentrates on providing a stable but competitive return.
- It invests mainly in fixed interest, with a small proportion invested in local and international shares.
- Best suited if you are looking for a low risk investment.



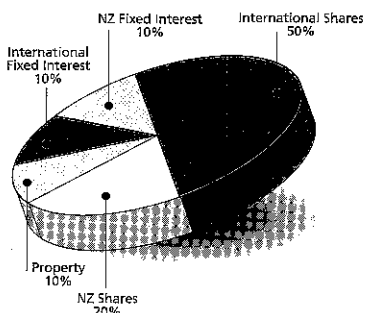
### BALANCED FUND

- A broad selection of investments including fixed interest, shares and property.
- Designed to achieve long term growth in your investment.
- Best suited if you are looking for a medium risk investment through diversified risk.



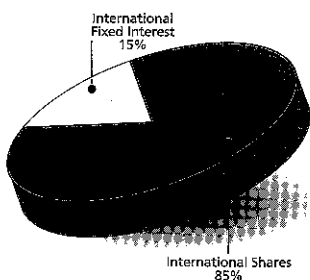
### INTERNATIONAL BALANCED

- A broad selection of international investments including fixed interest and shares.
- Aims to provide for steady growth with a balanced risk profile.
- Best suited if you are looking for a medium risk international investment.



### ENTREPRENEURIAL

- A broad selection of New Zealand and international investments.
- Invests in assets giving short term performance to achieve long term growth.
- Suited for those prepared to take higher risks to achieve higher returns.



### INTERNATIONAL GROWTH

- A broad selection of international investments including fixed interest and shares.
- It invests in assets giving short term performance to achieve long term growth.
- Suited for those prepared to take higher risks to achieve higher returns.

### CAPITAL FUND

A sixth portfolio, the Capital Fund, is also available to established investors but is not available when you first join the plan. The Capital Fund has an unsecured warranty that the unit price will not decrease.

## WHY SAVE WITH PRUDENTIAL?

Worldwide, Prudential is one of the largest financial services companies with more than 9 million customers and funds under management of more than NZ\$230 billion. In New Zealand, Prudential has been operating for more than 75 years and has 300,000 customers and \$2.3 billion in funds under management.

**APPLICATION**

**1 PERSONAL DETAILS - CLIENT ONE (PRIMARY LIFE)**

<input type="radio"/> POLICY OWNER	Title	Name	first names	last name
	Address			
<input type="radio"/> LIFE INSURED	Phone	home	business	Fax
	Email			
<input type="radio"/> PAYER	Date of Birth	Age next birthday	<input type="radio"/> m <input type="radio"/> f	Income
	Occupation			
	Are you an existing client with Prudential? <input type="radio"/> yes <input type="radio"/> no Previous Name?			

**PERSONAL DETAILS - CLIENT TWO**

<input type="radio"/> POLICY OWNER	Title	Name	first names	last name
	Address			
<input type="radio"/> LIFE INSURED	Phone	home	business	Fax
	Email			
<input type="radio"/> PAYER	Date of Birth	Age next birthday	<input type="radio"/> m <input type="radio"/> f	Income
	Occupation			
	Are you an existing client with Prudential? <input type="radio"/> yes <input type="radio"/> no Previous Name?			

**2 PLAN DETAILS**

(tick one)  New Application

Addition to  complete Additions section below

	REGULAR CONTRIBUTIONS		LUMP SUM CONTRIBUTIONS
Capital Stable Fund	% OR \$		\$
International Balanced Fund	% OR \$		\$
Balanced Fund	% OR \$		\$
International Growth Fund	% OR \$		\$
Entrepreneurial Fund	% OR \$		\$
* includes cost of insured benefits	TOTAL NEW \$		* TOTAL \$

Payment Frequency	
Method of Payment	
Total Contribution	

ADDITIONS ONLY REGULAR CONTRIBUTIONS ADDED	
Increase in Regular Contribution	%
I WOULD LIKE MY REGULAR CONTRIBUTIONS TO BE SPLIT IN THE FOLLOWING WAY:	
Capital Stable Fund	%
International Balanced Fund	%
Balanced Fund	%
International Growth Fund	%
Entrepreneurial Fund	%
Capital Fund	%

I do not want contributions adjusted for inflation (Indexing)

**3 INSURANCE BENEFITS – ON PRIMARY LIFE INSURED**

Level Cover  
 Reducing Cover (incl. Transfer value)

Expiry Age (indicate one)  
 40    45    50    55    60    65    70

Smoker    yes    no

Indexation    yes    no  
(only available if contributions are indexed)

**LIFE COVER**

Sum Insured   \$   
 Premium   \$

**TOTAL & PERMANENT  
DISABLEMENT COVER**

Sum Insured     
 Premium  

Expiry Age (indicate one)  
 40    45    50    55    60

Occupation (indicate one)  
 5A    4A    3A    2A

**3A INSURANCE BENEFITS – ON ADDITIONAL LIFE INSURED**

Level Cover

Expiry Age (indicate one)  
 40    45    50    55    60    65    70

Smoker    yes    no

Indexation    yes    no  
(only available if contributions are indexed)

**LIFE COVER**

Sum Insured   \$   
 Premium   \$

**TOTAL & PERMANENT  
DISABLEMENT COVER**

Sum Insured     
 Premium  

Expiry Age (indicate one)  
 40    45    50    55    60

Occupation (indicate one)  
 5A    4A    3A    2A

**4 PLAN CHARGES**

1.	Regular contributions:		%	of each contribution received
2.	Lump-sum contribution:		%	of each contribution
3.	Initial insured benefit charges:	\$		per month
4.	Initial Plan fee charges:	\$		per month
5.	Investment management charges:	Growth units:	%	per annum
6.	of initial regular contributions and of any increase due to indexation will purchase primary units for 2 years. Primary units attract an additional investment management charge of 3% per annum.			
7.	Funding period: after _____ years, Primary Units will be converted to Growth Units or Growth Plus Units.			

**5 PURPOSE OF APPLICATION AND DECLARATION**

- I confirm that this product meets my goals of:
  - I declare that the answers and statements in this application are true and correct to the best of my knowledge and belief.
  - I agree that if this policy is issued to more than one policy owner, they will be joint owners.
  - I understand that according to the Privacy Act 1993 I have the right to see any personal information Prudential or any of its advisors hold about me and ask to have any corrections made to this information.
  - I consent to Prudential using my details for marketing purposes including to advise me of products and services offered by the Prudential Group of companies that may be of interest to me.
  - I consent to Prudential providing ongoing information regarding my policies to either my advisor shown on this application or any other advisor that Prudential may allocate to service my business.
- FOR INSURED BENEFIT APPLICATIONS ONLY:
- I understand that cover will not commence until the application has been accepted by Prudential and the required contribution has been paid.
  - I understand that any Death by Accident Insurance cover will only apply if the initial contribution has been paid. Accident cover is valid for 45 days from the date of this application and the amount Prudential will pay is the lesser of \$100,000 or the amount of life insurance applied for.

I verify that I have received an Investment Statement for the Prudential Business Insurance Programme.

Signature of applicant  
 (Policy owner(s))

Date

## 6 INVESTOR IDENTIFICATION

The Financial Transactions Reporting Act 1996 requires Prudential to verify the identification of all new investors. You will be asked to provide identification if you make your initial payment to Prudential by: (please indicate)

- Bank cheque
  Third party cheque  
 Direct debit from a third party account
  Cash payments totalling \$10,000 or more

### IDENTIFICATION

- Individuals must provide either a passport, drivers licence, credit card, or two other forms of identification.

- Companies must provide a certificate of incorporation.

If you are providing identification directly to Prudential, please send certified copies only - do not send originals.

## ADVISOR TO COMPLETE

### INVESTOR IDENTIFICATION

If the investor identification section has been completed by the investor please complete the following:

I have seen an original or certified copy of each investor's identification and where possible included a copy with the application form. yes      no

I have known the investor for over two years and/or visited them at their home and have no reason to believe they are not who they claim to be. yes      no

Investor Identification type and number

### CONTRIBUTION DETAILS

Amount paid \$  Date paid  Receipt no.

### ADVISOR DETAILS

	SERVICING ADVISOR	OTHER ADVISOR
Name	<input type="text"/>	<input type="text"/>
Number	<input type="text"/>	<input type="text"/>
Location	<input type="text"/>	<input type="text"/>
Phone	<input type="text"/>	<input type="text"/>
% new	<input type="text"/>	<input type="text"/>
% renewal	<input type="text"/>	<input type="text"/>
Indexation % inc.	<input type="text"/>	<input type="text"/>

QF  Initial regular contributions spread option yes      no

QF  Indexation contributions

I, the advisor, verify that I have provided the client with an Investment Statement. I have also verified their identification as outlined above.

Signature of Advisor

Date



**DIRECT DEBIT AUTHORITY** (Authority to accept Direct Debit)

PLEASE COMPLETE THE AREAS MARKED WITH AN X  
 PLEASE ATTACH A DEPOSIT SLIP FOR YOUR BANK ACCOUNT

**CLIENT DETAILS**

Full Name

Phone  (work)  (home)

If this direct debit relates to an existing policy, please note policy numbers

If you have a preferred monthly payment date please nominate between 1st and 28th

Prudential lodgement reference no. (Prudential to complete)

Authority to accept Direct Debits (Not to operate as an assignment or agreement)

**AUTHORISATION CODE**  
 0 6 0 4 4 1 6

**ACCOUNT DETAILS**

Name of Account Holder

Please complete Bank/Branch Number, Account Number and suffix of Account to be debited and attach an encoded deposit slip

X

Bank Branch Number Account Number Suffix

**TO: THE MANAGER** (please print full postal address clearly)

Bank/Branch

Address (PO Box)

Town/City

I/We authorise you until further notice in writing to debit my/our account with you all amounts which:  
**THE PRUDENTIAL ASSURANCE COMPANY NEW ZEALAND LIMITED** (*hereinafter referred to as the Initiator*)  
 the registered Initiator of the above Authorisation code, may initiate by Direct Debit.  
 I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed on the reverse of this form.

**INFORMATION TO APPEAR ON MY/OUR BANK STATEMENT**

Payer Particular 

P	R	U	D	E	N	T	I	A	L											

Payer Code

Payer Reference

Authorised Signature(s) X

Date X

**FOR BANK USE ONLY**

APPROVED	DATE RECEIVED	RECORDED BY	CHECKED BY	BANK STAMP
0441				
02/98				



**THE PRUDENTIAL ASSURANCE COMPANY  
NEW ZEALAND LIMITED**

332-340 Lambton Quay, PO Box 291, Wellington.

Phone 0800 ASK PRU (275 778)

Fax 0800 FAX PRU (329 778)

e-mail: [askpru@prudential.co.nz](mailto:askpru@prudential.co.nz)

SIMB06 Jul 98