

AIA LIVING - PERSONAL OPTIONAL BENEFIT APPENDIX



Retirement Protection Benefit

This *appendix* only applies if cover under *the schedule* for your policy includes the Retirement Protection Benefit. This *appendix* forms part of and is incorporated into your **AIA Living** policy, the terms of which apply to this *appendix*.

The Retirement Protection Benefit covers employee contributions to the *life assured's* KiwiSaver scheme. This is an agreed value disability income protection benefit. Details of the benefit and the *life/lives assured* are shown in *the schedule*.

1. When will AIA pay a Retirement Protection Benefit?

AIA will pay a Retirement Protection Benefit monthly in advance if:

- > in AIA's opinion, the *life assured* is *totally disabled*; and
- > a Total Disability Benefit is being paid in relation to that *life assured* under an AIA *personal disability income policy*.

The Retirement Protection Benefit will be paid to the *life assured's* KiwiSaver scheme by payment to Inland Revenue as a voluntary contribution made on behalf of the *life assured*. Payment will be made to Inland Revenue in compliance with the current process for contributions to KiwiSaver schemes. If the contributions do not meet the KiwiSaver scheme's minimum contribution amount, then Inland Revenue may retain the contributions until the minimum contribution amount is met.

Cover under this Retirement Protection Benefit is only available while the *life assured* also has cover under an AIA *personal disability income policy*. Any *premiums* paid for the Retirement Protection Benefit for a *life assured* after cover for that *life assured* ceased under the AIA *personal disability income policy* will be refunded to the *policy owner* and the Retirement Protection Benefit for that *life assured* will cease.

Where the waiting period under an AIA *personal disability income policy* for the *life assured* is 8 weeks or less, the *life assured* is *totally disabled* due to injury and the nature of the injury is such that the *life assured* is expected to recover within a set period of time, AIA may choose to make a lump sum payment of up to 3 monthly benefit payments (after the shortest waiting period and any offsets have been taken into account) and close the claim. This payment may be made during the shortest waiting period.

If the *life assured* is still *totally disabled* at the end of the expected recovery period corresponding with the lump sum payment, then AIA will reopen the claim and pay the Retirement Protection Benefit in accordance with this *appendix*.

2. What amount will AIA pay for a Retirement Protection Benefit?

The amount that AIA will pay monthly is 1/12th of the benefit amount shown in *the schedule* less offsets shown below.

Offsets:

Any other KiwiSaver scheme contribution replacement benefit that any *person* receives or is entitled to receive from any sources in relation to the *life assured* and in respect of the same or a related disability.

Where the *life assured* is covered by KiwiSaver scheme contribution replacement benefits held with more than one provider, AIA will negotiate with the other provider(s) to determine the amount to be offset.

3. When will cover be suspended and when will AIA reinstate cover?

If cover under the AIA *personal disability income policy* has been suspended in accordance with the provisions for suspending cover of that AIA *personal disability income policy*, then cover for the *life assured* under this benefit *appendix* will also be suspended. Cover for the *life assured* under this benefit *appendix* cannot be suspended by itself.

No *premium* will be payable during the period that the cover is suspended.

No claim under this benefit *appendix* will be payable during, or for any disability that occurs during, the period that the cover is suspended.

Cover under this benefit *appendix* may be reinstated at the end of the suspension period in accordance with this section, without the need to provide further medical evidence only when cover under the AIA *personal disability income policy* for the *life assured* is reinstated without the need to provide further medical evidence.

At the end of the suspension period, the cover under the AIA *personal disability income policy* and the benefit under this *appendix* will be automatically reinstated for that *life assured*.

Cover for the *life assured* will be reinstated from the date set out in AIA's written acknowledgement.

The *premium* payable for the reinstated benefit will be based on AIA's *premium* rates at the time of the reinstatement.

4. Law changes

Without limiting the law changes section of your **AIA Living** policy, if changes to the KiwiSaver law or regulations occur after the *risk commencement date* and AIA believes on reasonable grounds that those changes will affect this benefit, then AIA can change the provisions of this *appendix* in whatever way it deems appropriate.

5. Tax

AIA understands that under current tax legislation premiums payable for agreed value disability protection insurance are generally not deductible and claim payments are generally not taxable.

In the event of a *tax change* you may elect that, for the purpose of calculating the Retirement Protection Benefit only, the benefit amount shown in *the schedule* is increased to an amount agreed by AIA to reflect the change in tax treatment. Your *premiums* from that point onwards will be adjusted to reflect the increased amount of benefit and will be based on *premium* rates applicable at that time.

An election under this clause must be made within 180 days of the *tax change*. No further underwriting will be required for the increase but any existing exclusions and endorsements will apply. No election under this clause may be made if a Retirement Protection Benefit is payable in respect of the *life assured* (or would have been payable had a claim been made).

6. How to make a claim

To make a claim, the relevant procedures in the section of your **AIA Living** policy entitled 'How to make a claim' must be followed.

The 'How to make a claim' and 'Ongoing Claim Requirements' sections of the *AIA personal disability income policy* also apply to this Retirement Protection Benefit.

In addition, AIA will not pay a claim under this Retirement Protection Benefit until AIA has received all the information it needs to pay this Retirement Protection Benefit, including the name of the *life assured's* *KiwiSaver scheme*.

7. When will AIA cease paying a benefit?

AIA will cease paying a benefit if:

- (a) AIA determines that the *life assured* is no longer *totally disabled* or a total disability benefit is no longer payable under an *AIA personal disability income policy* for the *life assured*.
- (b) The *life assured* reaches age 65.
- (c) The *life assured's* Mental Health Limitation payment period ends (if applicable for the *life assured* under the *AIA personal disability income policy*);
- (d) The *life assured* ceases to be a member of a

KiwiSaver scheme;

- (e) The *life assured* or anyone acting on behalf of the *life assured* makes a false or fraudulent statement in respect of a claim or supports any claim with false evidence.
- (f) The *life assured* is in prison or sentenced to home detention for any reason.
- (g) The *life assured* dies.

8. Exclusions – When AIA won't pay a benefit?

AIA will not pay a Retirement Protection Benefit if:

- > the *life assured* became *totally disabled* prior to, or within six months following the *risk commencement date* of this Retirement Protection Benefit;
- > a total disability benefit is not payable under a *AIA personal disability income policy* for the *life assured*;
- > a partial disability benefit is payable in respect of the *life assured* under an *AIA personal disability income policy*;
- > the *life assured* is not a member of a *KiwiSaver scheme*.

9. Key terms

KiwiSaver scheme	A registered KiwiSaver scheme as defined in the KiwiSaver Act 2006 (as amended or replaced).
person	An individual, employer, company, partnership, association, organisation or trust.
AIA personal disability income policy	Any <i>AIA policy/policies</i> for personal disability income cover, which the <i>life assured</i> for this <i>appendix</i> is also a <i>life assured</i> (including AIA Living Income Protection Benefit, Loss of Earnings Benefit, Mortgage and Income Protection Benefit, and any similar <i>related policy/policies</i>)
tax change	As a result of a change in legislation or New Zealand Inland Revenue Department's interpretation of existing legislation, AIA changes its understanding of the tax treatment of claim payments under agreed value disability protection insurance, and notifies you accordingly.
totally disabled	Has the meaning set out in the applicable <i>appendix</i> for the <i>AIA personal disability income policy</i> .