

Term Life

INSURANCE POLICY



southsure
insurance

The Future Depends On What We Do In The Present

Mahatma Gandhi



Term Life Insurance

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1 Welcome

1.1 Introduction

Thank you for choosing Southsure Term Life Insurance. Southsure Term Life Insurance is underwritten by Southsure Assurance Limited (Southsure). Southsure is an SBS Bank Group company and is committed to providing affordable, quality insurance and excellent customer service.

1.2 Important

Please read this Policy and Your Policy Schedule to ensure Your insurance needs are met and the information is correct. If there are any errors in Your Policy Schedule, or if any further clarification is required, please contact Us on free phone 0800 002 002.

This Policy is a valuable document and should be kept in a safe place. You should tell Your lawyer, executors and/or family members where this Policy is kept.

We rely on information provided by You and the Insured Person to issue Your Policy and pay any claim. If You or the Insured Person are not absolutely truthful or if You or the Insured Person fail to disclose all Material Information to Us, We may turn down a claim, or cancel or Avoid Your Policy.

1.3 Free Look Period

If this Policy does not appear to meet Your needs, You may return it to Us within 30 days of the Start Date and obtain a full refund of any premiums paid, providing You have not made any claims under this Policy.

1.4 Benefit Summary

Subject to the Policy terms and conditions, this Policy provides a lump sum payment to the Policy Owner if one of the following occurs:

- The Insured Person dies; or
- The Insured Person is diagnosed with a terminal illness.

2 About This Policy

2.1 Your Policy

This Policy is a contract of insurance between the Policy Owner, the Insured Person and Us. Your Policy consists of:

- The completed Application Form;
- Any information supplied by You, the Insured Person and anyone else in support of Your Application Form;
- The Policy Schedule;
- Any amended terms or conditions offered as stated on the Policy Schedule; and
- This Policy document.

This Policy is subject to the terms and conditions as set out below:-

2.2 Policy Ownership

The Policy Owner is specified in the Policy Schedule. The proceeds of any claim will be paid to the Policy Owner, or the Policy Owner's legal representative.

2.3 Transfer of Ownership

You can transfer the ownership of this Policy to another Policy Owner at any time by completing the attached Memorandum of Transfer Form and forwarding this to Us.

2.4 Changes made by You or the Insured Person

You can apply to Us in writing to make changes to this Policy at any time. The following changes can be requested:

- Change to the Smoker Status; and/or
- Increase or decrease the Sum Insured.

Approval to increase the Sum Insured will be at Our discretion.

Any changes to Your Policy will likely alter the amount of premium payable and will be effective from the next Premium Due Date after the date We approve Your request.

2.5 Changes made by Us

We may at any time change any of the terms and conditions applying to this Policy. Any such change will apply to all policies, not just Yours, and We will notify You at least 30 days prior to the changes coming into effect.

2.6 Authority given by You

The Policy Owner and Insured Person authorise Us to disclose all information about this Policy (including any changes to this Policy) and all relevant information about each of them to the Policy Owner and Insured Person as the case may be.

2.7 When Your Policy Starts

This Policy will start on the Start Date as shown on Your Policy Schedule.



2.8 When Your Policy Stops

This Policy will stop on the Expiry Date or on an earlier date if any one or more of the following occurs:

- We receive a written request from the Policy Owner to cancel the Policy;
- The death of the Insured Person;
- The payment of any claim;
- On the Insured Person's 75th birthday;
- If any premiums remain unpaid for 90 days or more and We cancel the Policy; or
- We cancel all Term Life Insurance policies and give You 90 days notice in writing.

2.9 Policy Cancellation

You may cancel this Policy at any time. For cancellations notified after the 30 day free look period (see clause (1.3)) there will be no refund of premiums. The only exception to this is where You have paid annually in advance, in which case We will refund to You 80% of any unexpired portion of the premium paid.

2.10 Policy Surrender Value

The premiums on this Policy contain no savings or investment component and therefore this Policy does not have surrender or cash value.

2.11 Worldwide Cover

Insurance cover under this Policy applies 24 hours a day, anywhere in the world.

3 Policy Benefits

3.1 Life Benefit

Providing the Policy terms and conditions are met, if the Insured Person dies, We will pay the Sum Insured to the Policy Owner or the Policy Owner's legal representative.

3.2 Terminal Illness Benefit

Subject to clause (3.2.1), providing the Policy terms and conditions are met, if the Insured Person has been diagnosed as having a terminal illness, We will pay the Sum Insured to the Policy Owner or the Policy Owner's legal representative.

3.2.1 Benefit Condition

The Insured Person must have been diagnosed by a specialist Medical Practitioner as having an illness which will in all probability result in their death either within twelve months, or prior to the Expiry Date, whichever is the sooner.

We have the right to call for an examination at Our expense of either the Insured Person or the evidence which led to this diagnosis by an independent acknowledged expert in the field of medicine concerned who is selected by Us. The opinion of this expert as to the diagnosis will be binding on both You and Us.

4 What You Are Not Covered For

4.1 Life and Terminal Illness Benefit Exclusions

We will not pay any benefit under this Policy if the condition or event giving rise to the claim is as a direct result of, or is contributed to by, any of the following:

- Any suicide or intentional self-inflicted injury, whether the Insured Person was sane or insane, within 36 calendar months from the Start Date of this Policy. If the Policy has been reinstated, any suicide or intentional self-inflicted injury, whether sane or insane, within 36 months from the date this Policy was reinstated;
- The Insured Person being addicted to or under the influence of alcohol, narcotics, or non-prescribed drugs or prescribed drugs if not taken as prescribed by a registered Medical Practitioner;
- If death occurs whilst taking part in any unlawful act;
- War or any act thereof, invasion, acts of foreign enemies, civil war, civil unrest, rebellion, revolution insurrection assuming the proportions of or amounting to an uprising, military or usurped power;
- Terrorism;
- Such other terms, conditions or exclusions as are stated in the Policy Schedule, if any.

If the condition or event giving rise to the claim falls outside the scope of cover provided under this Policy, there shall be no refund of any premiums.

5 Claims

5.1 How to make a Claim

Should You need to make a claim against Your Policy You should contact Us as soon as possible to request a claim form. The claim form will be forwarded to You within 24 hours of Our receipt of Your request. You must complete the claim form and return it to Us.

5.2 Claim Information Requirements

In addition to the completed claim form, We also require:

In relation to a claim under the Life Benefit:

- A copy of the Insured Person's death certificate;
- A coroner's report if one has been issued;
- Proof of identity of the Insured Person; and
- The Insured Person's birth certificate or other satisfactory proof of age.

In relation to a claim under the Terminal Illness Benefit;

- A written opinion from a medical specialist as required by clause (3.2.1), stating the nature of the Insured Person's illness, when it was first diagnosed and that as a result of this illness they are likely to have 12 months or less to live. This information must be paid for by the Insured Person.
- We may require further information as We consider reasonably necessary to support Your claim. Should We require the Insured Person to undergo any further medical examinations or tests, these costs will be met by Us.

Please refer to clause (8.2.3) in respect of providing untrue, Fraudulent, incomplete or misleading claim information.



5.3 Claim Payment Requirements

Any claim payment is subject to You providing the information listed in clause (5.2) as is applicable to support Your claim.

Claim payments will not be made until We have received the required documentation, the claim requirements have been met to Our complete satisfaction and We have accepted the claim.

5.4 Claims after a Change to Your Policy

Where You have requested an increase in the Sum Insured and We have accepted Your request then any claim made within 90 days of the date of the change will be assessed and paid on the basis of Your Policy as it applied immediately preceding the date of the change.

5.5 Concurrent Claims

A claim payment for either the Life Benefit or the Terminal Illness Benefit is a complete discharge of Our obligations in respect of that claim and Your Policy and will result in Your Policy stopping. Under no circumstances will a claim for both a Life Benefit and a Terminal Illness Benefit be paid.

5.6 Claim Payments

The proceeds of any claim will be payable to the Policy Owner or the Policy Owner's legal representative. Where the Policy Owner is a financial institution, any surplus after meeting any debt or other obligations to the financial institution will be paid to the Insured Person or their legal representative.

5.7 Claim Recovery

If for any reason We pay a benefit under this Policy to which You were not entitled, We have the right to recover that benefit from You.

5.8 Policies in arrears at the time of a Claim

If at the time of a claim there are any premiums overdue but the cover under the Policy has not yet been suspended pursuant to clause (6.2), We will deduct such premiums from any claim amount payable.

If at the time of a claim Your Policy has been suspended pursuant to clause (6.2), We will not accept Your claim.

6 Your Insurance Premiums

6.1 How We Calculate Your Premium

Your premium is based on the Sum Insured You select and the Insured Person's age, gender, smoking habits, declared state of health, occupation and pastimes.

The Policy Schedule will show the premium type applying to this Policy as either Level or Annually Renewable.

6.1.1 Premium type of Level

If the premium type is Level, the premium will change only as a result of:

- An alteration to the insurance, e.g. a change in smoker status;
- A general review of Our premium rates and rating factors that apply to all policies, not just Yours; and/or
- Changes in law which affect the Policy as described in clause (8.1).

6.1.2 Premium type of Annually Renewable

If the premium type is Annually Renewable, the premium will be increased automatically each year on the Anniversary Date of Your Policy to take account of the Insured Person's advancing age. In addition, the premium for this insurance may change as a result of:

- Cost of living adjustment increases if applicable as described in clause (7);
- An alteration to the insurance, e.g. a change in smoker status;
- A general review of Our premium rates and rating factors that apply to all policies, not just Yours; and/or
- Changes in law which affect the Policy as described in clause (8.1).

We will notify You at least 30 days prior to any premium increase. The initial premium payable is shown on the Policy Schedule. There is no GST applicable to this life insurance.

6.2 Missed payments and suspension or cancellation of cover

You must pay Us each premium on the Premium Due Date. If the premium due is not paid within 30 days of the Premium Due Date, cover under Your Policy will be suspended. If any premiums remain unpaid for 90 days or more, then We may cancel this Policy. We will give You notice that the Policy has been suspended or cancelled but the failure or omission to do so shall not prejudice the suspension or cancellation of cover. If cover under this Policy is suspended, We will not accept any claim occurring during the period in which the cover is suspended. Providing Your Policy has not yet been cancelled by Us, Your cover under the Policy will restart from the date You catch up Your overdue payments.

6.3 Payment Frequency

The premium for the Policy must be paid at the frequency shown in the Policy Schedule.

6.4 Policy Reinstatement

If We cancel this Policy because the premium was not paid, You can apply to Us to have Your Policy reinstated. Before any reinstatement, You and the Insured Person must comply with Your duties of disclosure again as outlined in clause (8.2) "Your Duty of Disclosure" and provide Us with any further information We require. Reinstatement will be at Our sole discretion. The Policy will recommence from the date of reinstatement. Reinstatement can only occur with Our written consent. Acceptance of premiums by Us shall not be construed as reinstatement of the Policy unless We confirm in writing to You that the Policy has been reinstated.

The terms and conditions applying to the reinstated Policy may be different to those applying to Your Policy before it was stopped and a new Policy Schedule will be issued.



7 Cost Of Living Adjustment

The cost of living adjustment is only available on Policies where the premium type as specified in the Policy Schedule is Annually Renewable and You have elected to take the cost of living adjustment option. If You have selected this option, in order to protect You against rises in the cost of living, each year at least 30 days prior to the Policy Anniversary Date We will offer You an opportunity to increase Your cover as a way of keeping pace with inflation. We will offer You an increase in the Sum Insured at a rate which We determine taking into account the Consumer Price Index. This rate will not be less than 3% per annum and the premium will increase appropriately. We reserve the right to restrict the amount of any increase or to not apply an increase at all, if the total Sum Insured under the Policy and all other such similar Policies in respect of the Insured Person exceeds \$750,000.

If You wish to decline the cost of living increase, You must advise Us of this prior to the Anniversary Date of the Policy. If We do not receive any advice from You, the cost of living adjustment increase will be implemented.

You may elect to cancel or receive future cost of living adjustment offers at any time.

8 General Conditions

8.1 Changes in Law

If there are any changes in New Zealand governmental or local body taxes, statutes, regulations or by-laws which are effective after Your Policy has been issued and these changes increase the costs We incur in managing Your Policy, or the way in which the terms and conditions of this Policy are interpreted, then, at Our discretion, We may increase Your premiums to absorb these additional costs and We may change any of the terms and conditions of the Policy. If this does occur, We will notify You at least 30 days prior to any such change or increase taking effect.

8.2 Your Duty of Disclosure

We are committed to honouring the terms and conditions of this Policy.

8.2.1 Material Information

This Policy was issued on the faith of the statements and information provided by You and the Insured Person when completing the Application Form.

If You or the Insured Person has:

- Not provided Us with all Material Information, or
- Made statements or provided information that was Substantially Incorrect and was Material and was made either Fraudulently or within a period of three years immediately preceding the date on which We seek to Avoid the Policy or the date of death of the Insured Person, whichever is the earlier,

And We have based Our decision (in whole or in part) to issue, renew, change or reinstate Your Policy on those statements or that information, then We may, at Our discretion;

- Avoid Your entire Policy from the Start Date;
- Avoid any benefit from the Start Date; or
- Change the terms of Your Policy or any benefit from the Start Date.

8.2.2 Mis-Statement of Age or Smoker Status

In the event of a mis-statement of Your age or smoker status or any combination of them, We will as allowed by law, having regard to Your true age and smoker status, either make variations to the benefits provided under the Policy and / or the premiums under the Policy. Any over payment of premiums will be refunded to You.

8.2.3 Untrue, Fraudulent, Incomplete or Misleading Claim Information

If You, the Insured Person or anyone acting on Your behalf, makes a claim or statement in support of a claim under this Policy that is untrue (including being untrue by reason of omission of any information), Fraudulent, incomplete or misleading in any material way, We can cancel this Policy and refuse to pay the claim. If an untrue or Fraudulent claim or statement is discovered after We have paid the claim, You must repay all amounts paid in relation to the claim.

8.3 How to Resolve any Problems

We want You to remain satisfied with this Policy. We have a complaints procedure to assist You to resolve any problem quickly and fairly. All complaints will initially be handled internally through Our internal disputes resolution process. If this process is unable to resolve Your complaint Your complaint can be referred to the Insurance and Savings Ombudsman who may be able to help. We are a participant in the Insurance and Savings Ombudsman (ISO) Scheme which provides a free, independent complaints service for Our customers. More information on the service can be found on www.iombudsman.org.nz. Contact details for the Insurance and Savings Ombudsman are:

PO Box 10-845, Wellington 6143

Fax: (04) 499 7614

Telephone: (04) 499 7612

Free phone: 0800 888 202

8.4 Communication

8.4.1 Writing to You

We will send all written communication about Your Policy to the address shown in the Application Form, unless You provide Us with another address.

All communications from Us to You shall be deemed to have been received by You four days from the date of posting to the last address for communications that You have notified to Us. If the Policy Owner consists of more than one person, any communication from Us to any one such person shall be deemed to be communication to all such persons.

8.4.2 Writing to Us

All written communication about Your Policy should be sent to Us at Our address:

Southsure Assurance Limited
PO Box 1404
Invercargill 9840

We will not be deemed to have received a letter or notice You send to Us unless We actually receive the letter or notice at Our relevant address.

8.4.3 Change of Address

You must advise Us of any change to Your postal address.



8.5 Jurisdiction and Currency

This Policy shall be construed according to the laws of New Zealand and all premiums and claims are payable in New Zealand currency.

8.6 Interpretation

In this Policy some words have defined meanings. These words are indicated by initial capital letters however, the absence of a capital letter shall not alone imply that the word or phrase is used with a meaning different from that given by its definition.

The headings used in the Policy are for reference only. They do not form part of the Policy and are not to be referred to in interpreting it.

8.7 Privacy Act 1993 and Health Information Privacy Code 1994

Pursuant to the Privacy Act 1993, the Policy Owner and the Insured Person may request access to and correction of any personal information held by Us by making a written request to Southsure Assurance Limited, PO Box 1404, Invercargill 9840.

8.8 Financial Information

A copy of Our latest reported financial statements are available from Our Head Office in Invercargill.

8.9 Policy Underwriter

This Policy is underwritten by Southsure, an SBS Bank Group company, who will be responsible for all claims and any other matter relating to this Policy. SBS Bank does not guarantee Southsure or any of the products issued by it. Southsure's contact details are:

Postal Address: PO Box 1404, Invercargill 9840

Fax: (03) 211 1167

Free phone: 0800 002 002

Email: admins@southsure.co.nz

8.10 Policyholder Protection

Under the Insurance (Prudential Supervision) Act 2010 (the Act), Southsure is required to maintain a Statutory Fund(s) in respect of its life insurance business for the protection of life insurance policyholder's interests. Under the definitions contained in the Act, this Policy is deemed to be a policy of life insurance. In terms of the requirements of the Act, this Policy is referable to Southsure's Statutory Fund No.1.

8.11 Disappearance of the Insured Person

Death shall not in any way be presumed by the disappearance of the Insured Person except in the event of the total loss of a ship or aircraft in which the Insured Person was travelling. We reserve the right to admit or defer any claim in circumstances of the disappearance of the Insured Person.

9 Policy Definitions

Anniversary Date means the date 12 months after the Start Date as specified in the Policy Schedule and the same date every year after that.

Application Form means the application for the Policy, or any alteration to the Policy, and includes any statement, questionnaire and supplementary document in connection with any such application completed by You, the Insured Person or anyone else in support of the application.

Avoid and Void means Your Policy or benefit will be considered never to have existed, premiums paid will not be refunded and no benefit will ever be paid.

Consumer Price Index means the number for the All Groups Consumer Price Index issued from time to time by the New Zealand Department of Statistics. This is expressed as a percentage change. We will use this percentage change as a guide in determining the cost of living adjustment We apply to the relevant Sum Insured if the cost of living adjustment option is applicable to the Policy.

Date of Notification means, in respect of an event giving rise to a claim, the date on which We receive notification of the occurrence of the event.

Expiry Date means the date this Policy will automatically end and is shown on Your Policy Schedule.

Fraudulent and Fraudulently means any statement that is made by a person making the statement who knows or ought to know it is incorrect, does not believe it is correct or makes it recklessly without caring whether it is correct or not.

Insured Person means the person whose life is insured under this Policy and who is named as such on the Policy Schedule.

Material Information means all relevant information that We needed when We decided the terms relating to Your Policy. It includes, but is not limited to, information about the Insured Person's health and medical history, occupation and leisure activities.

Material means a statement that would have influenced the judgement of a prudent insurer in fixing the premium, or in determining whether to take or continue the risk upon substantially the same terms and conditions.

Medical Practitioner means an appropriately qualified and registered medical professional who is accepted by Us. That person must not be the Insured Person or You, the Insured Person's or Your spouse or partner, the Insured Person's or Your business partner or anyone who is related to, or closely associated with, the Insured Person or You in any way.

Policy has the meaning ascribed to it in clause (2.1).

Policy Owner means the person or company which is named on the Policy Schedule as the Policy Owner and if more than one means all such persons jointly.

Policy Schedule means the Policy Schedule accompanying, and which forms part of, this Policy (and where the schedule has been amended or replaced, means the latest Policy Schedule agreed to between the Policy Owner and Us) which records the name of the Policy Owner, the name of the Insured Person, the Sum Insured, the Policy Start Date, the premium payable, the premium type and the Policy Expiry Date.



Premium Due Date means the date on which the premium must be paid.

Smoker means a person that has smoked a cigarette or any other substance in the past 12 months.

Southsure means Southsure Assurance Limited.

Substantially Incorrect means that if the difference between what was stated and what is actually correct would have been considered Material by a prudent insurer, the statement is substantially incorrect.

Sum Insured means the amount the Policy will pay in the event of a claim and is determined as at the time of the claim event.

For Level Term Life Insurance, where the Sum Insured remains at the same level for the full term of the Policy or increases if the cost of living adjustment option is applicable, the Sum Insured is shown on the most recently issued Policy Schedule prior to the claim event.

For Decreasing Term Life Insurance, where the Sum Insured decreases to a nil balance over the term of the Policy, the Sum Insured at the time of a claim event is determined as an amortisation of the initial Sum Insured at a rate of 12% to the Anniversary Date of the Policy immediately preceding the claim event.

Start Date means the date that Your first premium is due and the date that this Policy commenced and is shown on Your Policy Schedule.

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, civilian population or any segment thereof, or to disrupt any segment of the economy.

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

We, Our or Us means Southsure Assurance Limited.

You, Your means the Policy Owner.





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