
Welcome to your State Term Life Cover policy

State Term Life Cover is provided and underwritten by Sovereign Assurance Company Limited. Please take the time to read all parts of this policy document carefully. If you have any questions, feel free to call Sovereign on **0800 104 964**.

Under your State Term Life Cover policy, words in italics have specific meanings. You will find a definition for each of these words in section 10.

Have you given us correct information?

Please think very carefully about the information you have given us. If we find out at a later date that you have provided incorrect or incomplete information, we do not have to accept any claims on your policy. For more information, see section 7, 'Other changes we can make'.

IAG New Zealand Limited receives a commission from Sovereign for the issue of your State Term Life Cover policy.

State is a business division of IAG New Zealand Limited.

1. About your policy

Your State Term Life Cover policy is a contract between the policy owner ('you') and Sovereign Assurance Company Limited ('Sovereign', 'we', 'our' or 'us').

It can provide financial assistance for the person insured by the policy (the life assured), depending on the benefits you have chosen. It has no cash value if it is cancelled.

Your State Term Life Cover policy includes:

- this policy document, and any alterations legally made to it;
- the *schedule* – providing details of the benefits you have chosen and the name of the life assured;
- all benefit wordings - outlining the terms and conditions for the benefits you have chosen;
- any information (written or verbal) about this policy that you, or the life assured, has provided to Sovereign at any time;
- any terms which must legally be included in this contract (unless they can be contracted out of, in which case they are not included).

Nothing else forms part of your policy.

This policy is issued in New Zealand, and is governed by the laws of New Zealand. It covers the life assured anywhere in the world, however, any payments we make under this policy will be in New Zealand dollars.

This policy starts on the *risk commencement date*.

30 days to decide

If you are not happy with this policy for any reason, you can return it to us with written notification within 30 days*. If you wish to cancel your policy completely, we will promptly refund any premiums you have already paid, provided no claim has been made.

You also have a 30 day* free look period for any benefit added to this policy or any increase in *sum assured*. You may cancel the additional benefit or the increase in *sum assured* by writing to us and returning the *schedule* for the increase in cover to us, within 30 days*. Sovereign will cancel the additional benefit or increase in *sum assured* and refund any additional premiums paid, provided no claim has been made.

* The 30 day free-look period begins three working days after we posted the policy document (or the schedule for any increase in cover) to you.

2. What is covered by this policy?

Your State Term Life Cover policy lets you choose one or more insurance options, called “benefits”. Each benefit provides cover for the life assured under specific circumstances.

Benefits you have chosen

Details of the benefits you have chosen, including the name of the life assured, *sum assured* and premium types, are shown in the *schedule*.

The terms and conditions for each benefit you have chosen are in the benefit wordings.

What is not covered by this policy

There are certain circumstances (called ‘exclusions’) where the life assured is not covered by this policy, and no benefits can be claimed. Each benefit has its own set of exclusions. Please refer to the benefit wordings and the *schedule* for more information.

3. How to claim a benefit

We realise that making a claim comes at a difficult time. If you need to make a claim for any of your State Term Life Cover policy benefits please phone us on **0800 500 195**.

We will not be able to accept your claim during your phone call, but your claims specialist will let you know what information we need to assess your claim.

Providing the right information

To make a claim for any of your benefits, you will be asked to send us supporting evidence. Refer to your benefit wordings for details.

Your claims specialist will let you know if we need any other information or documentation. We do not have to consider or pay any claim until we have received all the information we have asked for.

Who receives the claim payment?

We will pay the benefits to the policy owner, or to the policy owner’s estate. If more than one person owns this policy then Sovereign will pay the benefits to the policy owners jointly or to the surviving policyowner(s).

4. Your premium

Your State Term Life Cover premium is made up of the cost of each of the benefits you have chosen.

The initial premium amount for your policy is shown in the *schedule*, along with the first *premium due date*. Your premium may change over time – see section 5, 'Changes to your premium', for more information.

How your premium is calculated

The cost for each benefit is calculated using our underlying premium rates.

We also take into account:

- the information we have about the life assured (for example, age, gender, state of health)
- the *sum assured* for that benefit
- the premium term you have chosen for that benefit

Premium terms

There are two premium terms:

- Level, 1 year;
- Level, 5 years.

The premium term you have chosen for each benefit is shown in the *schedule*.

Paying your premium

You need to pay your premium regularly as set out in the *schedule*.

You can pay:

- by credit card - monthly or annual premium
- by direct debit - fortnightly, monthly or annual premium.

Late or unpaid premiums

You have 30 days after a *premium due date* to pay your premium. If your payment is dishonoured for any reason, we will consider your premium to be unpaid.

If a premium remains unpaid 31 days after a *premium due date*, we may cancel your policy by writing to you at the last address you gave to us.

You can apply in writing to reinstate your policy, however we will only agree to do this if we consider it appropriate.

If a premium is overdue, we are under no obligation to assess or pay a claim. If we pay a benefit under this policy when a premium is overdue, we may deduct the overdue premium from the benefit.

5. Changes to your premium

There are a number of factors that may affect your premium, for example:

- The premium term you have chosen (Level, 1 year or Level, 5 years);
- If our underlying premium rates change;
- If you make any changes to your policy;
- If a benefit ends.

In recalculating your premium, we do **not** take into account any change to the state of health of the life assured which may have occurred since the benefits were first added to this policy.

If we change your premium amount, we will let you know before the change takes place.

Level, 1 year premium term

If you have chosen the Level, 1 year premium term, we will recalculate your premium at each policy *anniversary date*.

Level, 5 years premium term

If you have chosen the Level, 5 years premium term:

- for the Life Cover benefit, we will recalculate your premium on the 5th *anniversary date* and then every 5 years after that date;
- for all benefits other than Life Cover, we may recalculate your premiums on any *anniversary date* if our underlying premium rates change.

6. Other changes you can make

You can make any of the following changes to your policy at any time by writing to us at the address provided in section 8, 'Keeping in contact'. We will make any changes to your policy:

- on the *premium due date* after the date we accept your request, if you pay a fortnightly or monthly premium;
- on the 20th of the month after the date we accept your request, if you pay an annual premium

You cannot change your policy while a claim under your policy is being assessed or paid.

Adding a benefit

To add a new benefit to your policy, you will need to fill out a new State Term Life Cover application form and meet our usual requirements for that benefit. The addition of a new benefit is subject to the acceptance of your application.

Removing a benefit

To remove a benefit, write to Sovereign.

Increasing the sum assured

To increase the *sum assured*, write to Sovereign. You will need to fill out a new State Term Life Cover application form. We will assess your application based on a number of factors, including the state of health of the life assured. Any increase in *sum assured* is subject to our acceptance of your application.

Decreasing the sum assured

To decrease the *sum assured* write to Sovereign. Any decrease in *sum assured* is subject to our minimum requirements.

Transferring ownership

To transfer ownership of your policy, fill out the Memorandum of Transfer form enclosed with your policy document and return it to us. You can transfer ownership to more than one person or a company, but **not** to a trust or trustee. We will transfer ownership of the policy once we have received and accepted your request.

Cancelling your policy (after 30 days)

To cancel your policy after the 30 day free-look period*, write to Sovereign. We will cancel your policy on the date we receive your cancellation request. You will not be covered for any benefits from (and including) the date that Sovereign receives notice to cancel your policy.

We will refund any premium already paid for this policy for any period of more than one month beyond the date of cancellation. Otherwise, we do not have to refund any premiums or part premiums already paid.

* The 30 day free-look period begins three working days after we posted the policy document (or the schedule for any increase in cover) to you.

7. Other changes we can make

Cancel or avoid your policy

False, fraudulent, misleading or incomplete information

If you or the life assured has:

- not provided us with all *material* information, or
- provided information that was *substantially incorrect; material;* and (for a life policy) made either *fraudulently* or within the period of three years immediately preceding the date on which the policy is sought to be avoided or the date of the death of the life assured, whichever is earlier,

and we have based our decision to issue, renew, change or reinstate your policy on that information, then we may, in our discretion:

- avoid from inception your entire policy (this means the policy is deemed never to have existed);
- avoid from inception any benefit (this means the relevant benefit(s) is deemed never to have existed); or
- change the terms of your policy with effect from the *risk commencement date*.

If we avoid your policy or any benefit from inception, we will keep any premiums you have paid. You will not receive a premium refund.

False claim information

If you, a life assured or anyone acting on your behalf, makes a claim or statement in support of the ongoing payment of a claim under this policy that is false or *fraudulent* in any way, we can cancel this policy and refuse to pay the claim. If a false or fraudulent claim or statement is discovered after we have paid the claim, you must repay all amounts paid in relation to the claim or statement.

Unpaid premiums

We can cancel your policy if your premium remains unpaid 31 days after the *premium due date*.

Legal changes

If there are any changes in the law or its interpretation after the *risk commencement date* which we reasonably believe will affect:

- our tax liability; or
- the tax treatment of any premiums payable or claims receivable in respect of this policy; or
- the way in which this policy works; or
- the amount we can pay under the benefits,

then we can change the terms of this policy and/or the benefits in any way we consider appropriate. We will write to you and let you know of any changes that may affect you.

If you have any questions, feel free to call us on **0800 104 964**.

8. Keeping in contact

Shortly before the expiry of each premium term, we will send you updated information about your policy. You can write to us at any time, to ask for more information about your policy.

Writing to you

We will send all written communication about your policy to the address shown in the *schedule*, unless you provide us with another address. Please let us know if your address changes so we can keep our records up to date.

Writing to us

All written communication about your policy should be sent to us at our head office in New Zealand, unless we provide you with another address.

Any letter or notice you send to us must be signed by all policy owners. We cannot be held responsible by any policy owner if we act on a letter or notice signed by one or more, but not all, of the policy owners.

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.

Our postal address is:
Freepost Sovereign
Private Bag Sovereign
Auckland Mail Centre 1142
New Zealand

Our street address is
Sovereign Assurance Company Limited
74 Taharoto Road
Takapuna
North Shore
New Zealand

9. Complaints

Any complaints made to us must be made in writing. If you are not satisfied with the outcome of the complaint, you may have the right to refer the complaint to the Insurance and Savings Ombudsman.

You can obtain more information on the Ombudsman from the website www.iombudsman.org.nz

The Ombudsman's address is:
Insurance and Savings Ombudsman
P O Box 10 845
Wellington

Freephone: 0800 888 202
Telephone: +64 (04) 499 7612
Fax: +64 (04) 499 7614

10. Definitions

Under State Term Life Cover, words in italics have the following meanings:

<i>anniversary date</i>	The anniversary in each year of the first <i>premium due date</i> .
<i>fraudulent(ly)</i>	A statement is made fraudulently if the person making the statement: <ul style="list-style-type: none">• knows it is incorrect;• does not believe it is correct;• makes it recklessly, without caring whether it is correct or not.

<i>material</i>	A statement is <i>material</i> if it would have influenced the judgment of a prudent insurer in fixing the premium, or in determining whether to take or continue the risk upon substantially the same terms.
<i>premium due date</i>	The dates on which you must pay your policy premium, as agreed with Sovereign.
<i>registered medical practitioner(s)</i>	<p>A person who is registered and practising as a medical practitioner in New Zealand or Australia, and who is acceptable to Sovereign. This person cannot be:</p> <ul style="list-style-type: none"> • you; • a member of your immediate family; • your business partner or associate; • the life assured; • a member of the life assured's immediate family; or • the life assured's business partner or associate.
<i>risk commencement date</i>	The date on which this policy was issued and on which the benefits became effective.
<i>schedule</i>	The most recently issued <i>schedule</i> of policy details, including endorsements, that forms part of this policy document. The <i>schedule</i> shows the life assured, benefits chosen, premium amount and <i>sums assured</i> .
<i>substantially incorrect</i>	A statement is substantially incorrect if the difference between what was stated and what is actually correct would have been considered <i>material</i> by a prudent insurer.
<i>sum(s) assured</i>	The <i>sum assured</i> for each benefit shown in the <i>schedule</i> .

State Term Life Cover policy

Life Cover benefit

This benefit will pay a lump sum amount if a life assured dies or is diagnosed with a terminal illness.

The sum assured, the name of the life assured and other details specific to your Life Cover benefit are shown in the schedule.

The terms and conditions of your State Term Life Cover policy document also apply to this benefit.

1. When we will pay this benefit

We will pay this benefit in the circumstances set out below, subject to the other terms of your State Term Life Cover policy.

We will pay a Life Cover benefit and a Bereavement Support payment if the life assured dies. We will only make one Bereavement Support payment for the life assured, even where the life assured is also covered by another policy underwritten by Sovereign.

We will pay a Terminal Illness benefit if a life assured is diagnosed with an illness which, in our opinion, based on the advice of a *registered medical practitioner* and other relevant information, will result in the life assured dying within 12 months of the diagnosis, regardless of any treatment available.

If we pay a Life Cover or Terminal Illness benefit, your State Term Life Cover policy will end.

2. What we will pay

Life Cover benefit

We will pay the Life Cover *sum assured* minus the amount of any Bereavement Support payment made.

Bereavement Support

We will pay \$5,000 or the Life Cover *sum assured*, whichever amount is lower.

Terminal Illness benefit

We will pay the Life Cover *sum assured*.

3. Making a claim

You will find general information on making a claim in section 3 of your State Term Life Cover policy document under the heading "How to claim a benefit".

To apply for the Bereavement Support payment, you or your personal representative must let us know that the life assured has died. We will let you or your personal representative know if we need any further information. You do not have to wait until we accept your Life Cover claim to receive your Bereavement Support payment.

To make a claim for your Life Cover benefit, we will need:

- a full and complete death certificate for the life assured;
- a coroner's report, if one was issued;
- a completed discharge form;
- a pre-printed deposit slip for the account that the benefit is to be paid into;
- a grant of administration – probate, or certificate of administration, or letters of administration if the deceased was the sole owner of the policy.

To make a claim for your Terminal Illness benefit, we also need to see evidence from a *registered medical practitioner* diagnosing an illness, which will result in the death of the life assured within 12 months of the diagnosis.

4. Exclusions (when we won't pay this benefit)

We will **not** pay this benefit if the life assured's death or terminal illness is directly or indirectly caused or contributed to by the life assured committing or trying to commit suicide, whether sane or insane, within 13 months of the *risk commencement date*. If the *sum assured* is increased at any time, then under this exclusion, we will **not** pay the benefit increase if the life assured dies within 13 months of the increase date.

5. Definitions

Under State Term Life Cover, words in italics have specific meanings. For definitions of these words see section 10 'Definitions' of your State Term Life Cover policy document.