

State Injury Insurance

What you need to know about your policy

Please read your policy wording and schedule carefully to ensure it meets your needs. If there is any error please contact us immediately on **0800 777 707**.

The policy and schedule explain:

- > Who is insured
- > What is insured
- > When the insurance begins and ends
- > The amounts that can be claimed
- > The conditions of the insurance
- > What is not insured
- > How to make a claim.

Please keep this policy wording and the schedule in a safe place, as you will find them useful in the event of a claim.

If you have any questions about your policy, please call **0800 777 707**, or write to:

The Administration Manager
State Injury Insurance
Private Bag 93524
Takapuna
Auckland 0740.

You have a 30 day free look period from the policy commencement date noted on the schedule, or five working days from receiving your policy documents, whichever is the later, to review your policy. If you decide during that time that the policy is not appropriate for you, you can cancel the policy and we will then refund any premiums you have paid. To cancel your policy please write to the above address.

The insurance

Words and expressions in **bold** are defined in the Definitions section on page 5.

The **policy** is issued in response to an **application** having been completed and received by Sovereign Assurance Company Limited ("Sovereign" / "we" / "us" / "our"), the insurer. The **application** together with the **policy** and **schedule** forms this contract of insurance.

State Insurance Limited receives a commission in relation to the **policy**. It is not the insurer and does not guarantee Sovereign.

This **policy** does not entitle the **policy owner** to share in the profits of Sovereign. It has no surrender value or cash value if it is cancelled.

▶ When the insurance cover begins

Insurance cover under the **policy** commences when we issue the **policy**. The date we issue the **policy** is recorded as the **policy commencement date** in the **schedule**.

▶ Policy benefits

Subject to the terms of the **policy**, and unless otherwise stated, any benefit due will be paid to the **policy owner** or to the personal representatives of the **policy owner's** estate if the **policy owner** is deceased.

▶ Paid cover benefits

We will pay the relevant **paid cover** benefit if the **insured person** suffers a condition described in the **schedule** arising directly as the result of **accidental injury** and which becomes apparent within 12 months of the date of the **accidental injury**.

▶ Free cover benefit (if applicable)

We will pay the relevant free cover benefit (if applicable) if the **insured person** suffers a condition described in the **schedule** arising directly as the result of **accidental injury**, where the **accidental injury** occurs on or before the **free cover end date** and that condition becomes apparent within 12 months of the date of the **accidental injury**.

▶ Optional Hospital Cash Benefit (if applicable)

The optional Hospital Cash Benefit applies only if shown in the **schedule**. Subject to the terms of the **policy**, we will pay a benefit if the **insured person** is admitted and confined to a **hospital**, on the recommendation of a doctor approved by Sovereign, for at least three consecutive days as the result of an **accidental injury**. We will pay \$100 for each of these three consecutive days and every continuous day thereafter that the **insured person** remains in **hospital**, up to a maximum of 30 days.

▶ Multiple injuries

Only the highest value benefit will be paid for any single accident, except that both a free cover and **paid cover** benefit may be paid for a single accident where specified for a condition described in the **schedule**.

The **policy** will cease upon payment of any benefit described in the **schedule** as Permanent Disability, however multiple claims may be made for different instances of **fractures, burns** and **dislocations**.

▶ Reduction of benefits

If the **insured person** is aged 75 or older at the date they suffer an **accidental injury**, all benefits detailed in the **schedule** will be reduced by 50%.

▶ Payment of a claim

Payment will be made as soon as we are satisfied with all the information, which must be presented at the time of making a claim.

▶ If you need to make a claim

To make a claim please telephone Sovereign on **0800 777 707** during normal business hours or write to:

Freeport Authority 228838
Sovereign Assurance
Private Bag 93524
Takapuna
Auckland 0740.

The **policy owner** must notify us in writing of a claim as soon as practicable after the event giving rise to the claim. We will then advise what further information is required to process the claim. Usually that information will include proof of age of the **insured person** and the **policy** wording. Other information required will depend on the benefit being claimed. We are under no obligation to consider a claim unless all of the information requested is provided.

If any **premium** for the **policy** is overdue at the time a claim is to be paid, we may deduct the overdue **premium** from any claim payment.

▶ Medical advice

After suffering an **accidental injury** that is likely to result in a claim under the **policy**, the **insured person** must seek medical advice from a registered medical practitioner as soon as possible. Failure to seek or follow advice will result in no benefit being payable.

▶ What is not covered

We will not pay a benefit if **accidental injury** arises directly or indirectly from any of the following:

- › Any illness, disease or degenerative condition; or
- › Any warlike activities (whether war is declared or not) or the **insured person** serving in the armed forces of any country or organisation; or
- › The **insured person**:
 - › Committing or attempting to commit suicide or a self-inflicted injury or illness; or
 - › Engaging in or being part of any conduct that is criminal; or
 - › Engaging in mountaineering, racing in any motor propelled conveyance, or participating in sport on a professional or semi-professional basis; or
 - › Engaging in aerial activities other than as a fare paying passenger in an aircraft licensed to carry passengers on a recognised and regular airline; or
 - › Refusing to seek or follow proper medical advice following an **accidental injury**.

▶ Transfer of ownership

The **policy owner** may assign (transfer ownership of) the **policy** at any time by completing a Transfer of Ownership form, which can be obtained by writing to:

The Administration Manager
State Injury Insurance
Private Bag 93524
Takapuna
Auckland 0740.

You can transfer ownership to more than one person (the person must be at least 16 years of age) or a company. A trust cannot own the **policy**. To be valid, the assignment must be registered with us. No charge is payable.

Once ownership has been transferred, the new **policy owner** will be entitled to all benefits payable under the **policy**, and will also receive all communications regarding the **policy**, including **premium** notices.

▶ Notices

When **you** or the **insured person** writes to us about the **policy**, the letter must be sent to:

The Administration Manager
State Injury Insurance
Private Bag 93524
Takapuna
Auckland 0740.

We will not be deemed to have received anything contained in a letter or notice **you** or the **insured person** sends unless we actually receive the letter or notice at the address stated above.

When we write to the **policy owner** about the **policy**, we will send the letter or notice to the address for the **policy owner** shown in the **schedule**, or a substitute address the **policy owner** gives us.

▶ Multiple policies

The **insured person** cannot be covered under more than one State Injury Insurance policy. If the **insured person** is covered under more than one such policy, we will consider them to be covered under the policy providing the greatest amount of benefit, or the policy first issued if the benefits are the same. We will refund any **premium** paid for policies found to be void in this way.

▶ Your premiums

To ensure **your policy** remains in force **you** must pay the **premium** on a regular basis as agreed with us. The initial **premium** is shown in the **schedule** and the first payment is due on the first **premium due date**.

The **premium** is payable monthly by direct debit from a bank account, monthly or annually by approved credit card (currently Visa or MasterCard) or debit card or annually by cheque, whichever has been nominated on the **application** and noted on the **schedule**.

For payments by cheque, the cheque must be drawn in favour of "Sovereign Assurance Company Limited" and crossed "not transferable" or "account payee only".

We will consider the **premium** not paid if a cheque or other form of payment is later dishonoured.

If **you** wish to change **your** method or frequency of payment at any time, **you** can do so by writing to:

The Administration Manager
State Injury Insurance
Private Bag 93524
Takapuna
Auckland 0740.

No **premium** is payable for free cover.

Your premium will adjust accordingly if the level of cover changes.

▶ When the insurance cover ends

Paid cover will cease automatically on the occurrence of any of the following events:

- › The **insured person's** death.
- › The **insured person's** 85th birthday.
- › Upon payment of any benefit described in the **schedule** as Permanent Disability.
- › If all State Injury Insurance policies are cancelled by us, for example because of law or tax changes affecting the product or the sale of the product, and/or the product becoming unprofitable. In that case, we will give **you** 90 days' written notice of termination at **your** last known address and will offer **you** the option of alternative cover.

Free cover (if applicable) will cease automatically on the earliest of the following events:

- › Payment of the **free cover** disability benefit.
- › The **insured person's** death.
- › On the **free cover end date** specified in the **schedule**.

Where a **policy** covers two **insured persons**, if one **insured person** dies, reaches their 85th birthday or has the applicable benefit paid out, the **policy** will continue for the remaining **insured person**, providing the **premium** continues to be paid.

▶ Voluntary cancellation

The **policy owner** may cancel the **policy** at any time by writing to:

The Administration Manager
State Injury Insurance
Private Bag 93524
Takapuna
Auckland 0740.

If cancellation of the **policy** is requested within the free look period (see page 1), all **premiums** paid for the **policy** will be promptly refunded. Cancellation will take effect from the **policy commencement date** and the **policy** will be considered not to have commenced.

After the free look period, if **premiums** are paid weekly, fortnightly or monthly, cancellation will take effect from the next **premium due date** and no **premium** will be refunded.

After the free look period, if **premiums** are paid quarterly, half-yearly or annually, cancellation will take effect from the date the notice was received or the date specified by the **policy owner**, whichever is the later. **Premium** already paid for any period beyond the date of cancellation will be refunded to the **policy owner**.

From (and including) the effective date of cancellation no benefits will be payable under this **policy**.

▶ Cancellation by Sovereign

We can cancel the **policy** and decline liability (and **premiums** will be retained by us) in respect of any claim made under the **policy** if **you** or anyone acting on **your** behalf makes a claim under the **policy** that is false or fraudulent in any respect. In the event that a claim is paid and it is subsequently established that the claim was false or fraudulent in any respect, all amounts paid in relation to the false or fraudulent claim must be repaid.

We can cancel the **policy** if a **premium** remains outstanding 31 days after the **premium due date**.

▶ Reinstatement

If the **policy** has terminated due to non-payment of **premium** the **policy** may be reinstated at our complete discretion. Acceptance of **premium** by us after a **policy** has terminated shall not be construed as reinstatement unless we have confirmed in writing that the **policy** has been reinstated.

▶ Mis-statement of age

If the **insured person's** age is found to be mis-stated on the **application**, cover and sums insured will be adjusted to that which would have applied had their age not been mis-stated.

▶ Law changes affecting us or the policy

If changes in the law occur after the **policy commencement date** and we believe on reasonable grounds that those changes will affect:

- › Our liability for tax; or
- › The tax treatment of **premiums** payable or claims receivable; or
- › The way in which the **policy** works or the amount of benefit payable, then we can change the provisions of the **policy** or the benefits, but only to take into account the effect of the law change.

▶ Geographical limits

The **insured person** is covered under the **policy** 24 hours a day, worldwide.
All payments we make under the **policy** will be made in New Zealand dollars.

▶ Applicable law and jurisdiction

The laws of New Zealand shall govern the **policy** and any legal action involving cover under the **policy** must be conducted in New Zealand.

▶ Statutory Fund

Your insurance policy is part of the “Sovereign Statutory Fund Number 1”, effective 1 July 2013. This is a requirement under the Insurance (Prudential Supervision) Act 2010, for policy holder protection.

▶ 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 Financial Services Ombudsman.

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

The Ombudsman’s address and phone number are:

Insurance and Financial Services Ombudsman
PO Box 10845
Wellington 6143.
Phone: (04) 499 7612 or 0800 888 202.

Definitions

In the **policy** and the **schedule**, words in **bold** have the following meanings:

accidental injury

means bodily injury caused solely and directly by violent, accidental, external and visible means, occurring after the **policy commencement date** and where the **insured person** survives for at least 15 days after the date of the injury.

application

means the application completed by the **insured person** and **policy owner** (who may be the same or different) indicating the type of cover that is required.

burns

means damage caused by thermal, electrical or chemical agents resulting in tissue injury to a percentage of the body surface as measured by The Rule of Nines or the Lund and Browder Body Surface Chart.

dislocation(s)

means damage to a joint as the result of an **accidental injury** where one or more bones are out of place and treatment requires sedation using a general anaesthetic.

fracture(s)

means the cracking or breaking of a bone as the result of an **accidental injury** but specifically excludes any fractures that result from excessive physical activity (e.g. stress fractures) or a degenerative condition and not from any specific injury.

free cover commencement date

means the date specified in the **schedule** upon which any free cover provided under the **policy** starts.

free cover end date

means the date specified in the **schedule** upon which any free cover expires.

hospital

means a licensed hospital in terms of the Health & Disability Services (Safety) Act 2001 (or any statute in replacement of that Act), which provides 24 hour supervised nursing facilities and maintains facilities for medical diagnosis and treatment of persons provided however that mental, psychiatric, drug or alcohol rehabilitation centres and nursing or convalescent homes are expressly excluded.

insured person(s)

means the person named in the **schedule** who is insured under the **policy**.

loss of hearing

means the **permanent and total** loss of all hearing in an ear whether aided or unaided.

loss of independent existence

means the **insured person's permanent and total** inability to perform at least two of the following activities without assistance from another person.

- > Bathing and showering
- > Dressing and undressing
- > Eating and drinking
- > Using a toilet
- > Moving from place to place by walking, in a wheelchair or with a walking aid.

loss of sight

means the **permanent and total** loss of sight (whether aided or unaided) beyond remedy by surgery or other treatment. The extent of vision must be 6/36 or less in each eye. Blindness as a result of alcohol or drug abuse is specifically excluded.

loss of use of a limb

means the **permanent and total** loss of all use of an entire hand, arm, foot or leg.

paid cover

means the cover specified in the **schedule** in addition to any free cover benefit.

paid cover commencement date

means the date specified in the **schedule** upon which any **paid cover** provided under the **policy** starts.

paraplegia

means **permanent and total** impairment in motor and/or sensory function of both legs as the result of an **accidental injury** causing damage to the spinal cord.

permanent and total

means any condition that occurred as the result of an **accidental injury** which has continuously lasted for at least six months, and on medical advice provided by a registered medical practitioner approved by Sovereign, is expected to continue on an indefinite basis with no likelihood of improvement.

policy

means this contract of insurance.

policy commencement date

means the date any cover under the **policy** started.

policy owner, you, your

means the **insured person** or if the 'policy owner' section of the **application** is completed, the person named in that section.

premium(s)

means the amount specified in the **schedule** as payable to Sovereign.

premium due date

means the date specified in the **schedule** on which **premium** is payable.

quadriplegia

means **permanent and total** impairment in motor and/or sensory function of both upper and lower limbs as the result of an **accidental injury** causing damage to the spinal cord.

schedule

means the schedule forming part of the **policy** and where the schedule has been replaced or amended, means the schedule as amended or replaced. The schedule replaces any Certificate of Free Cover that may have been issued to the **insured person**.

This policy wording is subject to copyright.

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