

Funeral Plan Insurance

Issued To: *NZCU Baywide Credit Union*
(the Credit Union)

**Commencement
Date:** 1 July 2019

The Funeral Plan Insurance is underwritten by Pinnacle Life Limited

INTRODUCTION

1 General Information

- 1.1 The Credit Union Funeral Plan is a group term life insurance policy that insures the lives of specified Credit Union members, their families and friends.
- 1.2 The group policy is issued in the name of the Credit union and the insured event is the death of the specified Credit union member, a member of their family or their friend as specified in the certificate of Insurance (Insured Persons).
- 1.3 The policy term is 12 months. At every Policy Anniversary Date, the policy renews on the same terms, unless the Credit Union requests otherwise. No further information about any of the Members is required at each renewal.
- 1.4 The insurer is Pinnacle Life Limited (PLL).
- 1.5 Either PLL or the Credit Union may stop this policy at any time on giving to the other at least three months' advance notice. The Credit Union must immediately advise its members if notice is given that this policy is stopping.
- 1.6 Insured Persons cannot be insured more than once under this group policy. This means in practice that if the Insured Persons hold cover issued through more than one credit union, or hold cover issued more than once through the Credit Union (including as a result of credit union amalgamations), only one claim will be paid and premiums paid for other funeral plans under this group policy will be refunded in accordance with the refund amount specified in Section 2 (BENEFITS) below.
- 1.7 This policy will continue cover provided by the Credit Union Insurance Limited Group Funeral Policy. All Waiting Period dates and Relevant Dates for members as outlined in the Credit Union Insurance Limited Group Funeral Policy Insurance Certificates will be taken over by Pinnacle Life under this Group Funeral Plan.

BENEFITS

2 Funeral Plan Benefits

Death directly resulting from an Accident

- 2.1 If an Insured Person dies, and their death is a direct result of an Accident, PLL will pay the cover amount as specified in the certificate of insurance (including any increase that has been accepted by PLL) regardless of how recently the policy started or the cover amount increased.

Death not directly resulting from an Accident

- 2.2 If an Insured Person dies, and their death is not as a direct result of an Accident, then PLL will pay:

- The cover amount as specified in the certificate of insurance (including any increase that has been accepted by PLL) providing the death of the Insured Person occurs after the waiting period.

If an Insured Person dies within the waiting period then PLL will pay:

- An amount equal to 100% of the premiums paid under this policy up to the date of death of the insured Person, if an Insured Person's death occurs within the Waiting Period after commencement of the policy. No other cover amount will be payable. This payment is not available during the Waiting Period after an increase in the cover amount.

- 2.3 If PLL accepts an increased cover amount for an Insured Person and the Insured Person dies during the Waiting Period PLL will pay the original cover amount, not the increased cover amount.

Protection ends when an Insured Person dies

- 2.4 If an Insured Person dies, then their protection ends. Where there is more than one person insured on any one Credit Union account, the protection will continue for all surviving Insured Persons.

DEFINITIONS AND CONDITIONS

3 Policy Conditions

- 3.1 This policy has no cash or loan value. Insured Persons will not receive any money if they decide to cancel their protection.

4 Definitions of Accident, Injury, Policy Anniversary Date and Waiting Period

- 4.1 'Accident' means an event not intended by an Insured Person, which causes Injury to that Insured Person.

- 4.2 'Injury' means an injury sustained by the Insured Person which:

- is caused solely and directly by violent, accidental and visible means; and
- does not include sickness or disease or any naturally occurring condition or degenerative process; and
- is not intentionally self-inflicted; and
- is sustained after the protection start date.

- 4.3 'Policy Anniversary Date' means the date that is 12 months after the date this policy commenced, and every 12 month anniversary after that date.

4.4 'Waiting Period' means the length of time the Insured Person must wait until full cover amount is payable in the event of death by any cause other than as a direct result of an Accident (the Relevant Date)

- the Waiting Period is 2 years from the Relevant Date.

5 Definition of Nominated Beneficiary

5.1 A nominated beneficiary is a natural person that the Insured Person has named to receive any benefits payable under this policy.

5.2 If there is no nominated beneficiary then any benefits payable under this policy will be paid to the Insured Person's estate.

5.3 If the Insured Person has elected a nominated beneficiary, and that nominated beneficiary dies before the Insured Person, and the Insured Person does not change the nominated beneficiary, any proceeds of this policy will be paid to the Insured Person's estate.

5.4 The Insured Person may revoke or change a nomination at any time by advising in writing and this will be effective when the Credit Union has received the written advice.

6 Claims

6.1 All benefits are payable in the first instance to the Credit Union, for subsequent payment to the estate of the Insured Person or the nominated beneficiary.

6.2 PLL will not make any payments until:

- acceptable evidence is given to it of the Insured Person's identity; and
- PLL is satisfied that the claim is not excluded by any policy terms or conditions; and
- PLL has satisfactory proof of age of the Insured Person at the date of death

6.3 If PLL finds the date of birth of the Insured Person is incorrect, then PLL can adjust the benefits to the amounts that it would have paid had it known the correct date of birth.

6.4 The estate of the Insured Person or the nominated beneficiary is responsible for providing certified evidence in support of any claim at their expense.

6.5 No claims will be paid for events that occur after the protection ends.

7 Suicide Exclusion

7.1 PLL can decline a claim if the death of the Insured Person occurs by suicide within the Waiting Period of the protection start date.

8 Premium Information

- 8.1 The monthly Premium payable by the Credit Union will be based on the number of Insured Persons, the Insured Person's ages, the level of cover selected, smoker / non-smoker status (for policies commencing with the previous Credit Union Insurance Limited scheme from 25 November 2013) and in accordance with the premium rate table published by PLL.
- 8.2 Full details of the monthly premiums payable and the method of premium collection will be disclosed to the Insured Person by the Credit Union.
- 8.3 All monthly premiums collected by the Credit Union are to be paid to a bank account nominated by PLL by the 15th day of the month, less any administration costs charged by the Credit Union (and agreed by PLL).
- 8.4 Premium rates can be increased by the insurer with three months written notice to the Credit Union. The Credit Union must advise their members of any notified premium increases.
- 8.5 If the cover amount is changed from 25 November 2013, the new premium rate payable will include the Insured Person's smoker / non-smoker status.
- 8.6 Premium rates can be decreased by PLL at any time and decreases will take effect immediately from notification to the Credit Union. The Credit Union must advise their members of any notified premium decreases.

STARTING AND STOPPING THE PROTECTION

9 When the Protection Starts

- 9.1 The protection provided by this policy for an Insured Person starts on the date that the completed application form for that Insured Person is received by the Credit Union.
- 9.2 When cover is increased to a higher benefit level, the increased protection provided by this policy for an Insured Person starts on the date that the completed application form for that Insured Person is received by the Credit Union.
- 9.3 The benefit is not payable from the date protection starts or the date PLL accepts an increase in the cover amount. See section 2 above which sets out when benefit is payable.

10 When the Protection Ends

- 10.1 All protection provided by this policy for an insured Person will end on the earliest of the following:
- the death of that Insured Person; or
 - when the protection is cancelled by that Insured Person; or
 - on each Policy Anniversary Date, unless the policy is renewed by the Credit Union; or
 - when three consecutive monthly premium payments are missed in respect of that Insured Person's Credit Union account.

From 1 July 2019 the insured persons cover will no longer end when the insured person reaches a specific age.

- 10.2 If an Insured Person is no longer able to continue to pay their premiums from their Credit Union account, or the Credit Union cancels this policy, the Insured Person can apply to Pinnacle Life to continue their cover under a retail policy without restarting the Waiting Period. Pricing and terms of the continuation policy will be based on Pinnacle Life's then current retail policy prices and terms. The sum insured of the new policy cannot exceed the amount being replaced.

PLL will not approve an application to continue an Insured Person's cover if they

- are aged 75 or older, or
- have made or are eligible to make a claim under this policy, or
- haven't applied with 30 days from when cover under this policy ended, or
- are expecting to leave NZ and live overseas in the next six months.

11 Restarting the Protection

- 11.1 If the protection ends because of cancellation or lapsing through non-payment of premiums as described in section 10 above, the Insured Person can restart the protection – the process is the same as a new application (see section 9 above) – and the Waiting Period will apply before the full Funeral Plan Benefits recommence.

POLICY AGE LIMITS

12 Age Limits

- 12.1 The Insured Person must be aged between the ages of 16 and 75 when protection starts.

GENERAL CONDITIONS

13 Policy Document and Alterations

- 13.1 This policy constitutes the entire contract between PLL and the Credit Union and any alteration shall be in the form of an endorsement, signed by an authorised official representing PLL. PLL may alter this policy on three months written notice to the Credit Union.

13.2 If changes to this policy are for the sake of clarity or further explanation and do not materially disadvantage an Insured Person, then PLL will reissue the policy document.

14 Provision of Information

14.1 The Credit Union shall provide to PLL all information regarding the Insured Persons as it requires and which it considers relevant to the determination of Benefits and premiums payable under this policy.

15 Surrender Value

15.1 This policy has no cash value if it surrendered by the Credit Union or cancelled.

16 Assignment

16.1 The Credit Union cannot assign or have charged or mortgaged to any person, this policy, or Benefits under this policy.

17 New Zealand

17.1 This policy is issued in New Zealand. The laws of New Zealand apply to it. All amounts stated in this policy are in New Zealand dollars. All premiums and benefits relate to Life Benefits which is zero-rated for GST.

18 Fraud

18.1 Any misrepresentation, misstatement, or concealment by an Insured Person either in the documentation relating to Funeral Plan, or in relation to any other matter affecting this insurance or in connection with the making of any claim, gives PLL the right to refuse payment of any claim made by that Insured Person.

19 Dispute Resolution

19.1 If a dispute arises in any way related to this policy (other than for termination or the setting of premiums) both PLL and the Credit Union shall in good faith endeavour to resolve the dispute by agreement.

19.2 If the dispute is not promptly resolved it shall be referred to their respective Chief Executives (or equivalent) to seek resolution by agreement.

19.3 If the dispute is unable to be resolved by agreement by their Chief Executives within 10 working days of referral to them, then either party may by notice in writing to the other refer the dispute to arbitration in accordance with the Arbitration Act 1996. The arbitration shall be conducted by a sole arbitrator to be appointed by agreement between the parties, or failing agreement, to be appointed by the President of the New Zealand Law Society his or her nominee. The decision of the Arbitrator shall be final and binding on the parties, and the costs of the arbitrator shall (subject to any award by the arbitrator) be borne equally by the parties.

19.4 Notwithstanding the existence of a dispute each of the parties shall continue to fully comply with their obligations under this policy.