

ASB Personal Loan Insurance

Policy Document | ASB Insurance

Welcome to ASB Personal Loan Insurance

This is your insurance policy document. Please take the time to read it carefully and then keep it and the **schedule** in a safe place. If you have questions, please call 0800 501 223.

Why ASB Personal Loan Insurance?

ASB Personal Loan Insurance can help repay your personal loan should the unexpected happen to you whether it is due to **redundancy, bankruptcy, critical illness, disablement, terminal illness** or death.

- You're covered 24 hours a day anywhere in the world.
- The fortnightly premium is only 16.15 cents (monthly 35 cents) for each \$100 (pro-rated) of the outstanding **loan** balance and is deducted automatically from your bank account.
- You don't pay any extra because of your age, health, job or other factors.

Free look period for 30 days

Please read this policy to ensure it provides the cover you need. If you are unsure about anything, please contact us for assistance on 0800 501 223. If you decide you no longer want this policy, you may cancel it within 30 days of the **policy start date**, or within five working days of receiving your policy (whichever is the later date) and you will receive a full refund of any premium you have already paid to us. If you decide to do this, you cannot make a claim under the policy.

Who underwrites this policy?

This policy is underwritten by Sovereign Assurance Company Limited ('Sovereign'), Sovereign House, 74 Taharoto Road, Takapuna, Auckland 0622, New Zealand.

Sovereign has an A+ (Superior) financial strength rating from A.M. Best, an approved insurance rating agency. The rating scale is:

Secure	Vulnerable	
A++, A+ (Superior)	B, B- (Fair)	E (Under Regulatory Supervision)
A, A- (Excellent)	C++, C+ (Marginal)	F (In Liquidation)
B++, B+ (Good)	C, C- (Weak)	S (Suspended)
	D (Poor)	

ASB Bank Limited receives a commission for arranging this insurance.

The availability of insurance cover is subject to your application being approved. All applications are subject to individual consideration. Special conditions, exclusions or premium loadings may apply. An excess may apply for health insurance policies. For full details refer to the Policy Document which is available on request from any ASB branch. This insurance is underwritten by Sovereign Assurance Company Limited ("Sovereign"). None of ASB Bank Limited or its subsidiaries, the Commonwealth Bank of Australia, or any other company in the Commonwealth Bank of Australia Group, or any of their directors, or any other person, guarantees Sovereign or its subsidiaries, or any of the products issued by Sovereign or its subsidiaries.

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Part A: About this policy

This document is the policy document. It explains what your policy covers. It should be read in conjunction with the **schedule** that also forms part of your policy.

This ASB Personal Loan Insurance policy ('your policy') is a contract between the **policy owner** named in the **schedule** ('you' or 'your') and Sovereign ('we', 'our' or 'us').

The terms and conditions of your policy are set out and contained in the following documents:

- this policy document and any alterations made to it; and
- the **schedule** which states who the **policy owner** is, as well as setting out other important information.

Some words in this document are in bold type, this indicates that they are key terms that are defined in the section entitled 'Part L: Defined terms' on pages 24-25.

The headings in this policy document are for guidance only. They do not form part of your policy and they are not to be used when interpreting it.

When does cover under your policy start?

The cover under your policy starts on the **policy start date** as stated in the **schedule**.

Who is covered under your policy?

You are covered if you are named in the **schedule**.

What does your policy cover?

Subject to meeting the terms and conditions of your policy, you are covered and we will pay a benefit if you:

- become **temporarily disabled**
- become **permanently disabled**
- suffer a **critical illness**
- die or are diagnosed with a **terminal illness**
- have a **spouse** or **child** who dies or is diagnosed with a **terminal illness**
- are made **redundant** from **employment**
- become **bankrupt** while **self-employed**.

Summary of benefit payments and employment eligibility criteria

The following table is a summary only.

The benefit wordings on pages 10-23 set out the full terms and conditions, including exclusions.

Benefit	Employment conditions	Payment	Refer to
Temporary Disablement	Different definitions of temporary disablement apply, depending on your employment status.	We will pay your loan instalments while you are temporarily disabled . Maximum of 24 months, \$50,000, or until your loan is repaid (whichever happen first).	Part E, page 10
Permanent Disablement	Different definitions of permanent disablement apply, depending on your employment status.	We will pay off your loan balance as a lump sum, up to a maximum of \$50,000. An additional 15% of this payment as a Cash Assistance benefit.	Part F, page 12
Critical Illness	No employment conditions.	We will pay off your loan balance as a lump sum, up to a maximum of \$25,000.	Part G, page 15
Death or Terminal Illness	No employment conditions.	We will pay off your loan balance as a lump sum, up to a maximum of \$50,000. An additional 15% of this payment as a Cash Assistance benefit.	Part H, page 18
Death or Terminal Illness of a Spouse or Child	No employment conditions.	We will pay off your loan balance as a lump sum, up to a maximum of \$5,000.	Part I, page 20
Redundancy	Must be working for financial gain in a permanent job for at least 20 hours per week.	We will pay your loan instalments while you are unemployed due to redundancy . Maximum of 6 months, \$25,000, or until your loan is repaid (whichever happens first).	Part J, page 22
Bankruptcy	Must be self-employed for financial gain for at least 20 hours per week.	We will pay off your loan balance as a lump sum, up to a maximum of \$25,000	Part K, page 23

What is not covered by your policy?

In certain circumstances we will not pay a benefit. These are called exclusions. Each benefit has its own set of exclusions. Please refer to the benefit wordings Parts E-K.

Part B: How to make a claim

The information below also applies to your representative, if applicable. To make a claim, simply:

- Call 0800 501 223 and ASB will send you a claim form; or
- Download a claim form directly from asb.co.nz (search Personal Loan Insurance Claim Form); or
- Visit any ASB branch.

Complete the claim form and, along with any supporting information either scan and email it to Insurance.Service@asb.co.nz or post it to:

ASB Bank Limited
PO Box 35
Shortland Street
Auckland 1140
New Zealand

ASB will then send us your completed claim form and any supporting information along with your relevant **loan** information.

To avoid any delay in payment it is important that you let ASB know about a claim as soon as reasonably possible.

All information provided to ASB and/or us is kept strictly confidential and will not be disclosed to any other parties without your authority.

We will let you know if any further information is required once we have received your completed claim form, including the Medical Certificate section. You are responsible for the cost of providing this.

We may request that you have further medical examinations, at our expense. Additionally, we may write to your doctor to obtain further medical history or comment, also at our expense.

We can only determine your claim once we have all the necessary information. We may cancel your policy and keep all premiums you have paid if you or anyone else provides false or materially incorrect information or leaves important information out of, any claim or declaration made by you.

Part C: Premiums

The premium cost is calculated on the outstanding balance of your **loan** and is debited automatically from your **loan** deduction account either fortnightly or monthly, depending on the frequency of your premium payment.

Fortnightly premium rate	16.15 cents for each \$100 (pro-rated) of the outstanding loan balance
Monthly premium rate	35 cents for each \$100 (pro-rated) of the outstanding loan balance

For example, if the outstanding balance of your **loan** is \$3,000:

- The cost of cover for that fortnight is \$4.85 ($\$3,000/100 \times .1615$)
- The cost of cover for that month is \$10.50 ($\$3,000/100 \times .35$)

Your premium ensures cover until your next premium payment is due.

We reserve the right to change the premium rate in accordance with the terms and conditions of your policy (see page 8, 'Can the terms and conditions of your policy change?').

ASB may debit your nominated bank account with a premium payment even though there may be insufficient clear funds in that account, but it does not have to do this. If there are insufficient funds but ASB debits your account, ASB may also debit your account with its usual overdraft fee and interest charges. If the premium payment cannot be recovered from you, ASB may reverse it - this means that the premiums will be treated as not having been paid and we may be entitled to cancel the cover under your policy.

If a premium remains unpaid for 30 days or more after its due date for payment, ASB may cancel this payment authority without notice to you.

If the cover under your policy ends because you do not pay the premium within 30 days after it falls due, we may, at our discretion, reinstate the cover under your policy if you write to us asking us to do so. We will tell you in writing if the cover under your policy will be reinstated, what you are required to do and the terms that will apply - or if a new application must be made. If we reinstate the cover under your policy, it will be treated as a new policy.

Part D: Important information

Benefit payments

All benefits, except the Cash Assistance benefit, will be paid to ASB for credit to your **loan**. The Cash Assistance benefit will be paid directly to you or your estate. The most we will pay under your policy is the lesser of the **loan** amount shown in the **schedule** and the maximum amount payable on the applicable benefit.

Single benefit limit

Subject to the paragraphs below, we will only cover and pay for one event at any one time. This also applies where two individual policies cover the same jointly held **loan**. For example, if while we are paying you a **Temporary Disablement** benefit you (or any other person who has insured the **loan**, if applicable) are made **redundant**, we will not also pay a **Redundancy** benefit.

If, while we are paying you a **Temporary Disablement** benefit or a **Redundancy** benefit, you are eligible for payment of any **lump sum benefit**, on payment of the **lump sum benefit** your **Temporary Disablement** or **Redundancy** benefit will cease and the cover under your policy will end (see 'When does cover under your policy end').

Payment of the Death or **Terminal Illness** of a **Spouse** or **Child** benefit does not affect any entitlement to payment of a benefit for any concurrent **claim event**.

No surrender value

Your policy does not participate in our profits and it does not acquire a surrender value or cash value if cancelled.

Policy transfer

You cannot assign your policy or any of your rights under it to anyone.

If for any reason your **loan** is closed by ASB and your balance is transferred to a new **loan** with ASB or a related entity of ASB with no change in the terms and conditions of its usage, your policy may transfer to the new **loan** and continue uninterrupted at our discretion.

If the new **loan** amount is greater than the balance of the current **loan**, applicable stand-downs and pre-existing condition exclusions will apply to the increase from the date the new **loan** was drawn down.

When does cover under your policy end?

Cover under your policy will end if:

- your **loan** is repaid;
- you notify ASB in writing that your policy is to be cancelled (we are not bound by anything contained in a notification you send unless ASB receives it at the relevant address as shown under the section 'How do you contact us?');
- we pay any **lump sum benefit** under your policy;

- you reach your 77th birthday;
- the premium is not paid within 30 days after it falls due; or
- all ASB Personal Loan 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, and/or the end of the commercial relationship between ASB and us. In that case, you will be given at least 30 days' notice and may be offered the option of alternative cover.

How do you contact us?

ASB Bank Limited		Sovereign Assurance Company Limited	
Online:	asb.co.nz	Online:	sovereign.co.nz
Phone:	0800 501 223	Phone:	0800 501 233
		Email:	enquire@sovereign.co.nz
Postal address:	PO Box 35 Shortland Street Auckland 1140 New Zealand	Postal address:	Private Bag Sovereign Victoria Street West Auckland 1142 New Zealand
Physical address:	12 Jellicoe Street North Wharf Auckland City 1010 New Zealand	Physical address:	Sovereign House 74 Taharoto Road Takapuna North Shore City 0622 New Zealand

Can the terms and conditions of your policy change?

Yes. It is our normal business practice to review the terms and conditions of the product on a regular basis and in response to circumstances affecting the product such as law changes, an unexpected increase in claims or a public health threat such as a pandemic. Such a review may result in changes to the premium rate or benefit amounts, exclusions or limitations. Any change we make will apply to all ASB Personal Loan Insurance **policy owners**.

Where this occurs, we will communicate those changes to you and you will be given at least 30 days' notice before the change takes effect. You may cancel your policy at any time (see page 7, 'When does cover under your policy end?').

Sovereign Statutory Fund

Your 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.

Subject to the laws of New Zealand

Your policy is issued in New Zealand and is subject to the laws of New Zealand.

Part E: Temporary Disablement

How does the Temporary Disablement benefit work?

- Subject to the terms and conditions of your policy, if you become **temporarily disabled** we will pay your **loan** instalments while you remain **temporarily disabled**. Benefit payments will be made for up to 24 months or a maximum of \$50,000 for any one claim.
- For part months, the amount of the benefit payable will be pro-rated for the number of days in the month that you are disabled.
- Payments are made in arrears on your regular **loan** instalment dates. The first payment is made on the first regular **loan** instalment date after the 30 consecutive day period and covers the period from the end of the 30 consecutive day period to that **loan** instalment date.
- Any premiums due while you are receiving a benefit payment will be waived.

What does “temporary disablement”/“temporarily disabled” mean?

- If you are **employed, self-employed** or you are a **homemaker**, you are entirely prevented from working in what we consider to be your usual occupation for a period of 30 consecutive days or more; or
- If you are not **employed, self-employed** or a **homemaker**, you are confined to a hospital (including a mental or rehabilitation hospital) or bed for a period of 30 consecutive days or more on medical advice acceptable to us.

If within 3 months of a **Temporary Disablement** benefit ending you are disabled again and we are satisfied after considering the advice of a **registered medical practitioner** that it is from the same or a related cause, the required period of 30 consecutive days or more referred to above will not apply. We will consider you **temporarily disabled** again and treat your benefit payments as a continuation of your previous **temporary disablement**. Therefore, the maximum benefit amount payable and payment period of any one claim will apply.

Your temporary disablement must be caused by either:

- an accident (bodily injury caused directly by violent, accidental, external and visible means); or
- any illness.

We will pay ongoing claims if you provide proof acceptable to us of your continuing **temporary disablement** and you seek and follow ongoing medical advice for your condition at your expense.

Payments will continue until the earliest of the following:

- you are no longer temporarily disabled;
- you do not comply with any treatment programme recommended by the attending treatment providers;
- you do not provide acceptable proof of your continuing **temporary disablement**;
- the maximum benefit payment period of 24 months is reached for any one claim;

- the maximum of \$50,000 has been paid for any one claim; or
- the cover under your policy ends.

If while receiving a **Temporary Disablement** benefit, you become eligible for a **lump sum benefit**, we will pay your claim under the relevant **lump sum benefit** and your **Temporary Disablement** benefit will cease and the cover under your policy will end.

When we won't pay a Temporary Disablement benefit.

We will not pay a **Temporary Disablement** benefit if your **temporary disablement**:

- **14-day stand-down:**
is caused or contributed to by any illness, or you experience signs or symptoms of any illness within the first 14 days after the **policy start date**;
- **Pre-existing condition:**
occurs within six months of the **policy start date** and is caused or contributed to by any injury or illness or medical condition:
 - which prior to the **policy start date**, you knew or reasonably ought to have known you had; or
 - for which you experienced signs or symptoms, or consulted or received treatment or services from a **registered medical practitioner**, or took prescribed medication prior to the **policy start date**;
- **Deliberate injury:**
is caused or contributed to by you deliberately injuring yourself or attempting to do so;
- **Excess breath or blood alcohol:**
is caused or contributed to by you driving a vehicle with a breath or blood alcohol level in excess of the legal limit;
- **Misuse of drugs:**
is caused or contributed to by you deliberately taking or using drugs that have not been prescribed for you, or misuse of prescribed drugs which includes not taking them for proper therapeutic or medical purposes and/or in accordance with the manufacturer's directions for use;
- **Non-compliance with medical treatment:**
is caused or contributed to by you not complying with the treatment prescribed by the attending treatment providers;
- **Pregnancy:**
is caused or contributed to by your pregnancy or childbirth, unless the disability lasts for more than 90 days after the end of the pregnancy in which case you must be **temporarily disabled** as defined for 30 consecutive days or more from the 91st day after the end of the pregnancy;
- **Criminal conduct:**
is caused or contributed to by you engaging in or being part of any conduct that is criminal.

Part F: Permanent Disablement

How does the Permanent Disablement benefit work?

- Subject to the terms and conditions of your policy, if you become **permanently disabled** we will pay off your **loan** balance as a lump sum, up to a maximum of \$50,000.
- We will also pay the interest incurred on your **loan** balance from the date of your **permanent disablement** until the date we pay off your **loan** balance.
- Any benefit amount already paid to your **loan** during any preceding period of **temporary disablement** under Part E where the **temporary disablement** resulted from the same or a related cause to the cause of the **permanent disablement** will be deducted from the **Permanent Disablement** benefit payable.
- If you are receiving a **Temporary Disablement** benefit at the time you claim a **Permanent Disablement** benefit, the date of disability for the purposes of determining any relevant employment criteria, is the disablement date relating to your **temporary disablement**.
- Once the **Permanent Disablement** benefit is paid, the cover under your policy will end.

What does “permanent disablement”/“permanently disabled” mean?

This means either:

A) You:

- are **employed** or **self-employed** immediately before the date of your disability; and
- have a disability which, in our opinion (after considering all reasonable evidence), will prevent you from ever again engaging in all of the duties relating to what we consider to be your usual occupation; and
- you have not worked in that occupation for the six consecutive months after the date of disability; or

B) You are under the age of 70, and you totally and permanently lose the use of:

- both feet (entire feet); or
- both hands (entire hands); or
- the sight in both eyes (to the extent that visual acuity is reduced to 6/36 or less in the better eye and/or the field of vision is reduced to 10 degrees or less of arc in the better eye); or
- any combination of two of: a hand, a foot or sight in an eye (to the extent that visual acuity is reduced to 6/36 or less and/or the field of vision is reduced to 10 degrees or less of arc); or

C) You are under the age of 70, and you are constantly and permanently unable to perform at least two of the following activities without the physical assistance of someone else (if you can perform the activity on your own by using special equipment we will treat you as being able to perform that activity):

- 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.

Alternatively, you are under the age of 70, you are unable to perform one of the above activities and your intellectual capacity has reduced or deteriorated to such an extent that you require permanent and constant supervision.

Your permanent disablement must be caused by either:

- an accident (bodily injury caused directly by violent, accidental, external and visible means); or
- any illness

Any condition that we have reasonable grounds to expect can be reversed or improved by surgery or other treatment will not be considered to be a **permanent disablement** covered by the **Permanent Disablement** benefit.

What is the Cash Assistance benefit?

If we pay the **Permanent Disablement** benefit to your **loan**, we will also pay directly to you an additional amount equal to 15% of this payment as a Cash Assistance benefit.

When we won't pay a Permanent Disablement benefit.

We will not pay a **Permanent Disablement** benefit if your **permanent disablement**:

- **14-day stand-down:**
is caused or contributed to by any illness, or you experience signs or symptoms of any illness within the first 14 days after the **policy start date**;
- **Pre-existing condition:**
occurs within six months of the **policy start date** and is caused or contributed to by any injury or illness or medical condition:
 - which prior to the **policy start date**, you knew or reasonably ought to have known you had; or
 - for which you experienced signs or symptoms, or consulted or received treatment or services from a **registered medical practitioner**, or took prescribed medication prior to the **policy start date**;
- **Deliberate injury:**
is caused or contributed to by you deliberately injuring yourself or attempting to do so;
- **Excess breath or blood alcohol:**
is caused or contributed to by you driving a vehicle with a breath or blood alcohol level in excess of the legal limit;

- **Misuse of drugs:**
is caused or contributed to by you deliberately taking or using drugs that have not been prescribed for you, or misuse of prescribed drugs which includes not taking them for proper therapeutic or medical purposes and/or in accordance with the manufacturer's directions for use;
- **Non-compliance with medical treatment:**
is caused or contributed to by you not complying with the treatment prescribed by the attending treatment providers;
- **Pregnancy:**
is caused or contributed to by your pregnancy or childbirth, unless the disability lasts for more than 90 days after the end of the pregnancy in which case you must be **permanently disabled** as defined for 6 consecutive months or more from the 91st day after the end of the pregnancy;
- **Criminal conduct:**
is caused or contributed to by you engaging in or being part of any conduct that is criminal.

Part G: Critical Illness

How does the Critical Illness benefit work?

- Subject to the terms and conditions of your policy, if you are diagnosed with a defined condition (exactly as detailed below) we will pay off your **loan** balance as a lump sum, up to a maximum of \$25,000.
- We will also pay the interest incurred on your **loan** balance from the date of your **critical illness** diagnosis until the date we pay off your **loan** balance.
- Once the **Critical Illness** benefit is paid, the cover under your policy will end.

The **critical illness** conditions covered are:

<p>Heart Attack</p>	<p>The death of a portion of the heart muscle (myocardium) as a result of inadequate blood supply to the relevant area, confirmed by a cardiologist or general physician and evidenced by:</p> <p>Typical rise and/or fall of cardiac biomarkers with at least one value above the 99th percentile of the upper reference limit and at least one of the following:</p> <ul style="list-style-type: none"> • Signs and symptoms of ischaemia which are consistent with myocardial infarction; or • Confirmatory new (or presumed new) ECG changes associated with myocardial infarction with the development of any one of the following: <ul style="list-style-type: none"> • ST changes; • T wave inversion; • left bundle branch block (LBBB); • pathological Q waves; or • Imaging evidence of new loss of viable myocardium or new regional wall motion abnormality. <p>A rise in cardiac biomarkers resulting from a percutaneous procedure for coronary artery disease is excluded unless the baseline value is normal and the elevation is greater than 5 times the 99th percentile of the upper reference limit.</p> <p>If the above evidence is inconclusive or superseded by technological advances, we will consider other appropriate and medically recognised tests that unequivocally diagnose that a myocardial infarction of the degree of severity or greater as outlined above has occurred.</p> <p>Other acute coronary syndromes including but not limited to angina pectoris are excluded.</p>
<p>Coronary Artery Bypass</p>	<p>Medically necessary surgery to correct the narrowing of, or blockage to, one or more coronary arteries by means of a bypass graft.</p>

<p>Cancer</p>	<p>Malignant tumours</p> <p>The presence of one or more malignant tumours, characterised by uncontrolled growth and spread of malignant cells, with the invasion and destruction of normal tissue for which major interventionist treatment or surgery is considered medically necessary by a registered medical practitioner.</p> <p>The following tumours are excluded:</p> <ul style="list-style-type: none"> • Tumours classified as carcinoma-in-situ (including intraepithelial neoplasia). • Prostate tumours with a Gleason score of less than 6. (If the Gleason score is unavailable, we will use the TNM classification and tumours classified as T1 or its equivalent will be excluded). • All malignant melanomas unless they: <ul style="list-style-type: none"> • are of at least 1.5mm thickness as measured using the Breslow histological classification; or • are at least Clark level 3; or • show evidence of ulceration as determined by histological examination. • Skin cancers unless they have spread to other organs. • Chronic lymphocytic leukaemia less than RAI Stage 1. <p>Carcinoma-in-situ radical surgery</p> <p>As a result of a carcinoma-in-situ, an operation to arrest spread of the malignancy is performed which involves the removal of the entire organ (which includes: breast, cervix, ovary, fallopian tube, vagina, vulva, prostate, colon/rectal, bladder) affected that is considered medically necessary by a registered medical practitioner.</p> <p>The carcinoma-in-situ must be positively diagnosed by biopsy and be classified as TIS according to the TNM staging method or FIGO Stage 0.</p>
<p>Stroke</p>	<p>A cerebrovascular event producing neurological deficit. This requires clear evidence on CT, MRI or similar appropriate scan or investigation that a stroke has occurred. This requires evidence of:</p> <ul style="list-style-type: none"> • infarction of brain tissue; or • intracranial or subarachnoid haemorrhage. <p>Excluded from this definition are transient ischaemic attacks (TIA), cerebral symptoms due to migraine, cerebral injury from trauma or hypoxia and vascular disease affecting the eye, optic nerve or vestibular functions.</p>

When we won't pay a Critical Illness benefit

We will not pay a Critical Illness benefit if your **critical illness**:

- **3-month stand-down:**
occurs, or symptoms or signs which lead to any of the defined conditions (whether or not a **registered medical practitioner** has been consulted) occur within three months after the **policy start date**;
- **Pre-existing condition:**
occurs within six months of the **policy start date** and is caused or contributed to by any injury or illness or medical condition:
 - which prior to the **policy start date**, you knew or reasonably ought to have known you had; or
 - for which you experienced signs or symptoms, or consulted or received treatment or services from a **registered medical practitioner**, or took prescribed medication prior to the **policy start date**;
- **Deliberate injury:**
is caused or contributed to by you deliberately injuring yourself or attempting to do so;
- **Excess breath or blood alcohol:**
is caused or contributed to by you driving a vehicle with a breath or blood alcohol level in excess of the legal limit;
- **Misuse of drugs:**
is caused or contributed to by you deliberately taking or using drugs that have not been prescribed for you, or misuse of prescribed drugs which includes not taking them for proper therapeutic or medical purposes and/or in accordance with the manufacturer's directions for use;
- **Non-compliance with medical treatment:**
is caused or contributed to by you not complying with the treatment prescribed by the attending treatment providers;
- **Criminal conduct:**
is caused or contributed to by you engaging in or being part of any conduct that is criminal.

Part H: Death or Terminal Illness

How does Death or Terminal Illness cover work?

- Subject to the terms and conditions of your policy, if you die or are diagnosed with a **terminal illness** we will pay off your **loan** balance as a lump sum, up to a maximum of \$50,000.
- We will also pay the interest incurred on your **loan** balance from the date of your death or **terminal illness** diagnosis until the date we pay off your **loan** balance.
- The Death or **Terminal Illness** benefit will be payable as soon as we are satisfied with all the information which must be presented in support of your claim.
- Once the Death or **Terminal Illness** benefit is paid, the cover under your policy will end.
- Once the **Terminal Illness** benefit is paid, you will no longer be eligible to take out a new ASB Personal Loan Insurance policy.

What is the Cash Assistance benefit?

If we pay the Death or **Terminal Illness** benefit to your **loan**, we will also pay directly to you or your estate an additional amount equal to 15% of this payment as a Cash Assistance benefit.

When we won't pay a Death or Terminal Illness benefit.

We will not pay a Death or **Terminal Illness** benefit if your death or **terminal illness**:

- **14-day stand-down:**
is caused or contributed to by any illness, or you experience signs or symptoms of any illness within the first 14 days after the **policy start date**;
- **Pre-existing condition:**
 - is caused or contributed to by a terminal illness which you were diagnosed with prior to the **policy start date** (irrespective of your prognosis as at the date of your diagnosis or the **policy start date**); or
 - occurs within six months of the **policy start date** and is caused or contributed to by any injury, illness or medical condition:
 - which prior to the **policy start date**, you knew or reasonably ought to have known you had; or
 - for which you experienced signs or symptoms, or consulted or received treatment or services from a **registered medical practitioner**, or took prescribed medication prior to the **policy start date**;
- **Suicide or deliberate injury:**
is a direct or indirect result of:
 - suicide, or
 - attempted suicide, or
 - a self-inflicted injury or illness;

- **Excess breath or blood alcohol:**
is caused or contributed to by you driving a vehicle with a breath or blood alcohol level in excess of the legal limit;
- **Misuse of drugs:**
is caused or contributed to by you deliberately taking or using drugs that have not been prescribed for you, or misuse of prescribed drugs which includes not taking them for proper therapeutic or medical purposes and/or in accordance with the manufacturer's directions for use;
- **Non-compliance with medical treatment:**
is caused or contributed to by you not complying with the treatment prescribed by the attending treatment providers;
- **Criminal conduct:**
is caused or contributed to by you engaging in or being part of any conduct that is criminal.

Part I: Death or Terminal Illness of a Spouse or Child

How does the Death or Terminal Illness of a Spouse or Child benefit work?

- Subject to the terms and conditions of your policy, if your **spouse** or **child** (provided they do not also hold individual policy cover for the same jointly held **loan**) die or are diagnosed with a **terminal illness**, we will pay off your **loan** balance as a lump sum, up to a maximum of \$5,000.
- The Death or **Terminal Illness** of a **Spouse** or **Child** benefit will be payable as soon as we are satisfied with all the information which must be presented in support of your claim.
- Only one Death or **Terminal Illness** of a **Spouse** or **Child** benefit is payable per policy, once a claim is paid under this benefit, the cover under this benefit will end.
- This benefit is payable for your **spouse** or **child** irrespective of any other benefit being paid under your policy for any other person named in the **schedule**.

When we won't pay a Death or Terminal Illness of a Spouse or Child benefit.

We will not pay a Death or **Terminal Illness** of a **Spouse** or **Child** benefit if their death or **terminal illness**:

- **14-day stand-down:**
is caused or contributed to by any illness, or your **spouse** or **child** experiences signs or symptoms of any illness within the first 14 days after the **policy start date**;
- **Pre-existing condition:**
 - is caused or contributed to by a **terminal illness** which your **spouse** or **child** was diagnosed with prior to the **policy start date** (irrespective of the prognosis as at the date of the diagnosis or the **policy start date**); or
 - occurs within six months of the **policy start date** and is caused or contributed to by any injury, illness, or medical condition:
 - which prior to the **policy start date**, you knew or reasonably ought to have known your **spouse** or **child** had; or
 - for which your **spouse** or **child** experienced signs or symptoms, or consulted or received treatment or services from a **registered medical practitioner**, or took prescribed medication;
- **Suicide or deliberate injury:**
is a direct or indirect result of:
 - suicide, or
 - attempted suicide, or
 - a self-inflicted injury or illness;

- **Excess breath or blood alcohol:**
is caused or contributed to by you or your **spouse** or **child** driving a vehicle with a breath or blood alcohol level in excess of the legal limit;
- **Misuse of drugs:**
is caused or contributed to by your **spouse** or **child** deliberately taking or using drugs that were not prescribed for your **spouse** or **child**, or by misuse of prescribed drugs which includes not taking them for proper therapeutic or medical purpose and/or in accordance with the manufacturer's directions for use;
- **Non-compliance with medical treatment:**
is caused or contributed to by your **spouse** or **child** not complying with the treatment prescribed by the attending treatment providers;
- **Criminal conduct:**
is caused or contributed to by you or your **spouse** or **child** engaging in or being part of any conduct that is criminal.

Part J: Redundancy

How does the Redundancy benefit work?

- This benefit applies if you are **employed** and you are made **redundant**, but does not apply if you are **self-employed** or a **homemaker**.
- Subject to the terms and conditions of your policy, if you have not worked for at least 30 consecutive days as a result of **redundancy**, we will pay your **loan** instalments for each month that you are not **employed** due to **redundancy**. Benefit payments will be made for up to 6 months or a maximum of \$25,000 for any one claim.
- For part months, the benefit amount payable will be pro-rated for the number of days in the month that you are not **employed** due to **redundancy**.
- Payments are made in arrears on your regular **loan** instalment dates. The first payment is made on the first regular **loan** instalment date after the 30 consecutive day period and covers the period from the end of the 30 consecutive day period to that **loan** instalment date.
- Any premiums due while you are receiving a benefit payment will be waived.

Payments will continue until the earliest of the following:

- you return to **employment**;
- you do not provide acceptable proof of your continuing **redundancy**;
- you do not, in our opinion, make reasonable efforts to obtain **employment** - this includes but is not limited to registering with a recruitment agency, WINZ or any equivalent government agency;
- the maximum benefit payment period of 6 months is reached for any one claim;
- the maximum of \$25,000 has been paid for any one claim; or
- the cover under your policy ends.

If, while receiving a **Redundancy** benefit you become eligible for a **lump sum benefit**, we will pay your claim under the relevant **lump sum benefit** and your **Redundancy** benefit will cease and the cover under your policy will end.

When we won't pay a Redundancy benefit:

We will not pay a **Redundancy** benefit if your **redundancy**:

- occurs within the first 30 days after the **policy start date**;
- occurs and you knew or ought to have known at the **policy start date** that you could be made **redundant**;
- results from a strike or labour dispute involving you or your employer;
- relates to seasonal, part-time, contract, or relief work; or
- results from your voluntary resignation, dismissal, or retirement.

Part K: Bankruptcy for the self-employed

How does Bankruptcy cover work?

- This benefit applies if you are **self-employed** and become **bankrupt**.
- Subject to terms and conditions of your policy, if you become **bankrupt** we will pay off your **loan** balance as a lump sum, up to a maximum of \$25,000.
- We will also pay the interest incurred on your **loan** balance from the date of your **bankruptcy** until the date we pay off your **loan** balance.
- Once the **Bankruptcy** benefit is paid, the cover under your policy will end.

When we won't pay a Bankruptcy benefit

We will not pay a **Bankruptcy** benefit if you become **bankrupt**:

- within the first 30 days after your policy starts; or
- you knew or ought to have known at the **policy start date** that you could be made **bankrupt**.

Part L: Defined Terms

Bankrupt/Bankruptcy

The Court has declared you bankrupt as a result of your creditors asking the Court to do so. Bankruptcy does not include a situation where you voluntarily elect bankruptcy.

Child

Any biological child, adopted child or child under the legal guardianship of you or your **spouse**, who is under the age of 21.

Claim event

An accident, illness, **redundancy** or **bankruptcy** which may result in a claim being paid.

Critical Illness

Any of the critical illnesses defined in the table set out in Part G of your policy.

Employed/Employment

You are working for financial gain for at least 20 hours per week. You are not employed if you are on any type of unpaid leave and have been for more than 30 days.

Homemaker

A person whose principal occupation is to manage the household of his or her own immediate family for at least 20 hours per week.

Loan

Your ASB Personal Loan as detailed in the **schedule**.

Lump Sum Benefit

Each of the **Permanent Disablement**, **Critical Illness**, Death or **Terminal Illness**, and **Bankruptcy** benefits under your policy.

(Excluding the Death or **Terminal Illness** of a **Spouse** or **Child** benefit.)

Permanent disablement/permanently disabled

These terms have the meaning set out in Part F of your policy.

Policy owner

The person listed on the **schedule** as the policy owner.

Policy start date

The policy start date stated in the **schedule**.

Redundant/Redundancy

Where your employer ends your **employment** wholly or mainly because the position filled by you has become surplus to the needs of your employer (including where the employer is going into liquidation). It does not include a situation where you voluntarily elect to take redundancy or where your employer is owned or controlled by you or a **relative**.

Registered medical practitioner

A person acceptable to us who is registered and practicing as a medical practitioner in New Zealand or the country in which they are located, other than you, a **relative**, or your business partner or associate.

Relative

Your:

- **spouse**;
- parent;
- step-parent;
- **child**;
- sibling;
- grandparent.

Schedule

The latest schedule issued by us to you which confirms the **policy owner**, and important policy details about your policy and any specific endorsements or exclusions that we have applied to your policy.

Self-employed

You are employed by a company which you own or control, directly or indirectly, or you work for yourself or in partnership.

Spouse

A person who you are living with in marriage or civil union, or a person you are living with in the nature of marriage such as a de-facto partner.

Temporarily disabled/temporary disablement

These terms have the meaning set out in Part E of your policy.

Terminal illness

Terminal illness means an illness, which in our opinion, after considering medical evidence provided by an appropriate **registered medical practitioner** and any other evidence we may reasonably require, is likely to result in death within 12 months, irrespective of any treatment that may be received.

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