

# CORPORATE SOLUTIONS CRITICAL ILLNESS INSURANCE POLICY

Voluntary membership



## Policy Schedule Policy No: CI AIA 8722

<b>Policy Owner:</b>	Melissa Klaricich, Roz Urbhan, Christopher Milsom and Belinda Leslie as Trustees of the Fonterra Welfare Fund as owner of the Fonterra Welfare Fund Critical Illness Plan (the Plan) established for the benefit of the eligible employees of Fonterra Welfare Funds (the Employer).						
<b>Policy Replacement:</b>	This Corporate Solutions Critical Illness Insurance Policy issued to the above named Policy Owner by AIA New Zealand Limited is comprised of the attached policy wording (reference AIAGR-011-05 06/22) and Policy Schedule(s) and replaces policy 6027821 issued on 01 May 2012 by Sovereign Assurance Company Limited in its entirety.						
<b>Policy Commencement Date:</b>	01 November 2022						
<b>Renewal Date:</b>	01 Nov 2023 and annually thereafter						
<b>Eligibility Criteria:</b>	<p>All employees of the Employer who satisfy the definition of Eligible Member at the Policy Commencement Date, or on the date of commencing employment with the Employer - whichever is the later, who has applied and been accepted for cover by the Company.</p> <p>Where an employee does not satisfy the definition of Eligible Member upon commencement of their employment, they will be deemed to first meet the Eligibility Criteria on the date that the terms of their employment changes to the extent that they then satisfy the definition of Eligible Member.</p>						
<b>Benefits:</b>	<table><tr><td>When payable:</td><td>In the event of diagnosis of a Critical Illness (as defined) of an Insured Member while insured hereunder.</td></tr><tr><td>Amount payable:</td><td>The Amount Insured applicable to the Insured Member for the applicable Plan Year subject to the maximum benefit amount, as set out below.</td></tr><tr><td>Maximum amount:</td><td>NZD75,000</td></tr></table>	When payable:	In the event of diagnosis of a Critical Illness (as defined) of an Insured Member while insured hereunder.	Amount payable:	The Amount Insured applicable to the Insured Member for the applicable Plan Year subject to the maximum benefit amount, as set out below.	Maximum amount:	NZD75,000
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Maximum amount:	NZD75,000						
<b>Benefit Type:</b>	Stand-alone						
<b>Benefit Formula:</b>	Fifty (50) percent of Insured Member's Salary with a maximum benefit amount of Seventy five thousand NZD75,000						
<b>Maximum Entry Age:</b>	Sixty-four (64) years						
<b>Cessation Age:</b>	Seventy (70) years						
<b>Entry Acceptance Limit:</b>	NZD75,000						
<b>Eligibility for Entry Acceptance:</b>	<p>Insured Members covered prior to 01 November 2019; and employees who apply for cover within ninety (90) days of commencing their employment with the Employer.</p> <p>Entry Acceptance is not applicable to members who apply for cover outside of the ninety (90) day window of their employment commencing with the Employer and will require full underwriting.</p>						
<b>New Events Cover:</b>	Applicable						
<b>Continuation Option:</b>	Applicable						
<b>Extended Cover:</b>	Applicable						

**AIA MyCare:** Applicable – refer to schedule 2

**PREMIUMS:**

**Frequency of Premiums:** Monthly

**Rate Guarantee Period End Date:** 31 October 2025

**Minimum Annual Premium:** NZD2,500

**Minimum Number of Insured Lives:** Ten (10)

**Premium Adjustment:** Individual Exits and Entrants Method

**VARIATIONS:** Applicable –

Under **Definitions**, section **D. Automatic Acceptance Limit or AAL** is deleted and replaced in its entirety by the following:

**“D. Entry Acceptance Limit**

The amount stated in the Policy Schedule.”

Under **Definitions**, section **BB. Aggregate Policy Premium** is added in its entirety:

**“BB. Aggregate Policy Premium**

The aggregate insurance premiums of all Insured Members.”

Under **General Conditions**, section **1. Eligibility** is deleted and replaced in its entirety by the following:

**“1. Eligibility**

- a. Within the specified entry period(s) as set out in the Policy Schedule, or as otherwise agreed, the Policy Owner shall provide to the Company the completed applications in the form prescribed by us for all individuals applying for insurance under the Policy.
- b. Provided the Minimum Policy Terms are satisfied, those individuals shall be eligible for cover under the Policy from the date that they first satisfy the Eligible Member definition (on or after the Policy Commencement Date), or at some other time the Company agrees to in writing.
- c. The Minimum Policy Terms are as follows:
  - i. suitable eligibility conditions for membership of the group to be insured are clearly specified;
  - ii. Amount Insured for each Eligible Member is established using a consistent and acceptable basis;
  - iii. the minimum number of insured lives as specified in the Policy Schedule is satisfied; and
  - iv. the minimum Aggregate Policy Premium amount set out in the Policy Schedule is satisfied.

- d. There may be different categories of Insured Members under this Policy. If there is more than one category under this Policy, the Eligibility Criteria, Entry Acceptance Limits and any additional terms of cover, may vary depending on the particular category and if so, will be noted in the Policy Schedule.
- e. The Policy Owner shall supply the Company with any information required in relation to each Eligible Member that the Company may require for the purposes of this Policy, including as set out under General Condition 11.”

Under **General Conditions**, section **2. Automatic Acceptance** is deleted and replaced in its entirety by the following:

**“2. Entry Acceptance**

- a. An Eligible Member will become an Insured Member from their Risk Commencement Date for an Amount Insured not exceeding the Entry Acceptance Limit provided the person complies with the terms on which the Company offers Entry Acceptance.

- b. Entry Acceptance

Unless otherwise stated, Entry Acceptance is subject to the following conditions:

- i. satisfactory evidence is provided to the Company that Eligibility Criteria conditions are met by the Eligible Member at their Risk Commencement Date; and
  - ii. other terms relating to the provision of an Entry Acceptance Limit set out in the Policy Schedule.
- c. The Company reserves the right to change the Entry Acceptance conditions or limits at any time.
- d. Where there is:
  - i. No Entry Acceptance Limit; or
  - ii. a proposed Amount Insured which either exceeds the Entry Acceptance Limit or is in respect of a person who does not comply with the terms upon which Entry Acceptance is offered, cover is subject to consideration by the Company of such Evidence of Insurability as may be requested. Any such cover will commence upon the Company’s acceptance of the risk. The Company reserves the right to decline any such application.
- e. The Company shall notify the Policy Owner of the terms (if any) on which it will grant cover to an Eligible Member.”

Under **General Conditions**, section **3. Limited Cover** is deleted in its entirety.

Under **General Conditions**, section **4. New Events Cover Eligibility** is deleted and replaced in its entirety by the following:

**“4. New Events Cover**

If New Events Cover is set out in the Policy Schedule as being applicable, the following will apply to all Eligible Members for:

- a) If the Eligible Member has cover under a related Compulsory Plan that is provided subject to either Limited Cover or New Events Cover conditions, the greater of,

- i. 24 consecutive months from the date that their cover commences under this Policy, and
  - ii. the period that the Limited Cover or New Events Cover (as applicable) applies under the Compulsory plan; or
- b) 24 consecutive months from the date that their cover commences under this Policy.

New Events Cover means that an Insured Member will only be covered under this Policy for Critical Illness arising from New Events. At the end of any relevant period of New Events Cover being applicable as set out above, the Insured Member will receive full cover under this Plan – subject to normal policy exclusions, or any terms or exclusions applied as a consequence of underwriting.

At any time, an Insured Member can apply to be underwritten for full cover subject to such Evidence of Insurability that the Company requests.”

Under **General Conditions**, section **5. Premium – When Payable** is deleted and replaced in its entirety by the following:

**“5. Premium – When Payable**

Premiums in respect of an Insured Member are payable to the Company, in the manner agreed to by the Company, with the first premium due within thirty (30) days of their Risk Commencement Date and thereafter as set out in the Policy Schedule.

If the Aggregate Policy Premium or the premium for an Insured Member (other than the first premium) are not paid within thirty (30) days from the date they fall due (Days of Grace), the Company will give the Policy Owner notice of intention to lapse the Policy or cover in respect of the Insured Member (as applicable), and all cover will cease from the premium due date.

Under **General Conditions**, section **6. Premium – How Calculated** the words reading:

**“6. Premium – How Calculated**

b. The premium due in respect of the Policy for any Plan Year shall be the sum of the premiums calculated in paragraph (a.) of this condition in respect of every Insured Member, subject to the minimum premium amount set out in the Policy Schedule.

are deleted in their entirety and replaced with the following:

b. The Aggregate Policy Premium due in respect of the Policy for any Plan Year shall be the sum of the premiums calculated in paragraph (a.) of this condition in respect of every Insured Member, subject to the minimum premium amount set out in the Policy Schedule.”

Under **General Conditions**, section **8. Premium Adjustments** is deleted and replaced in its entirety by the following:

**“8. Premium Adjustments**

If Premium Adjustments are set out in the Policy Schedule as being applicable, the following will apply:

At each Renewal Date, premium adjustments will be calculated in respect of exiting members, new entrants and changes in Insured Member details such as Salary and age during any Plan Year, using the following method:

Individual Exits and Entrants:

Premium Adjustments will be calculated in respect of any new entrants or exiting members based on the number of days they were accepted for cover within the applicable Plan Year.”

Under **General Conditions**, section **14. Termination of Policy** the words reading:

**“17. Termination of Policy**

- b. Premiums for the Policy Owner are in arrears subject to General Condition 5; or

are deleted in their entirety and replaced with the following:

- b. The Aggregate Policy Premiums fall below the minimum amount as specified in the Policy Schedule or, is consistently in arrears subject to General Condition 4; or”

Under **General Conditions**, section **17. Termination of Membership** is deleted in its entirety and replaced with the following:

**“17. Termination of Membership**

- a. At the end of each month or as otherwise agreed, the Policy Owner shall give notice to the Company that a person has ceased to be an Insured Member and shall advise the date upon which that person ceased to be an Insured Member.
- b. The Critical Illness cover of an Insured Member shall terminate at 11:59pm New Zealand time on the earliest of:
- i. the date the Insured Member is no longer Gainfully and Permanently Employed by the Employer for at least fifteen (15) hours per week (for each and every normal working week), subject to any Extended Cover provision provided under General Condition 26; or
  - ii. the Insured Member attaining the Cessation Age; or
  - iii. the date the Insured Member leaves the service of the Employer, subject to any Extended Cover provision provided under General Condition 26; or
  - iv. the date premiums in respect of the Insured Member are in arrears subject to General Condition 5; or
  - v. the date the Insured Member commences active duty in the armed forces of any country or international organisation; or
  - vi. the date the Insured Member, Company or the Policy Owner terminates the cover under the Policy; or
  - vii. the date the Insured Member dies; or
  - viii. the date a Critical Illness Benefit is paid; or
  - ix. the Insured Member is on Leave of Absence for longer than the period of time that we have agreed to provide cover under General Condition 11, except where the reason why the Insured Member has not returned to work is because they have made a claim under this Policy, or is eligible to do so; or
  - x. the date we terminate the Policy or the Insured Member’s Critical Illness cover under General Condition 18; or

Under **General Conditions**, section **25. Continuation Option** is deleted in its entirety and replaced with the following:

**“25. Continuation Option**

If Continuation Options are set out in the Policy Schedule as being applicable, the following will apply:

If an Insured Member, under the age of sixty-five (65) years, ceases to be an Insured Member, other than as a result of death, injury or illness or the Policy terminating and provided that the Insured Member is not in receipt of, or entitled to receive benefits under this Policy, that Insured Member shall be entitled to apply for and have issued, a Critical Illness Policy that the Company from time to time considers appropriate, without being required to produce any Evidence of Insurability subject to the following conditions:

- a. the Amount Insured under the individual policy will not exceed the amount of benefits payable in respect of the Insured Member under this Policy; and
- b. the individual policy will be subject to the standard policy conditions and provisions for similar policies issued to the public, including but not limited to residency status, location, occupational and minimum premium requirements; and
- c. the premium payable will be calculated at the rate charged by the Company on similar individual policies, taking into account the Insured Member’s age, occupation, income, sex and smoking status; and
- d. the policy will be subject to any extra premium or exclusion clause(s) imposed in respect of the Insured Member under this Policy; and
- e. if New Events Cover applies to the Insured Member’s cover under this Policy, New Events Cover will be applied to the individual policy for a period of time equivalent to the remaining New Events Cover term applicable to the Insured Member under this Policy; and
- f. there are no outstanding or overdue premiums in respect of the Insured Member under this Policy.

The Company must receive written notice of application in the form prescribed by it within sixty (60) days of the date on which the Insured Member ceased to be employed by the Employer and subsequently insured under this Policy.”

Under **General Conditions**, section **32. Termination by the Insured Member** is added in its entirety:

**“32. Termination by the Insured Member**

Cover under this Policy will terminate in respect of an Insured Member, if the Insured Member concerned gives the Company thirty (30) days’ notice in writing that they intend to cease to participate in the Plan. The termination will be effective 11:59pm New Zealand time on the date that premiums in respect of the Insured Member have been paid up to, or at some other date AIA agrees to in writing.”