

Fonterra Welfare Fund

Life, Income Protection and Critical Illness Group Insurance Plan

*How would you and your family cope if something happened to you?
Are you protected?*





GROUP INSURANCE PLAN – Fonterra Welfare Fund

Life, Income Protection and Critical Illness insurance plans are designed to financially protect you and your family when you can't. To assist you with your choice, the Fonterra Welfare Fund has provided three insurance plans offering significant premium savings – Life Insurance, Income Protection insurance and Critical Illness Insurance.

These insurance plans are available to all salaried employees working more than 15 hours per week.

These benefits are offered through the Fonterra Welfare Fund (the Fund) which is a Trust established to provide tax-free insurance benefits to Fonterra salaried employees.

New Employees – 90 days

As a new employee you have one window of opportunity of 90 days from date of employment to join the scheme under the "Automatic Acceptance" of pre-existing medical conditions. You may also be eligible to join under the 90 day concession if you have increased your hours to more than 15 hours a week, or have moved from a waged agreement to a salaried agreement.

Entry after this period will be subject to medical underwriting, potential exclusions, or possibly higher premiums.

Great Benefits

The plan provides a choice of:

- Life Insurance of 3 x salary.
- Income Protection Insurance (only available if taken out with Life Insurance):
 - Benefit – 55% of salary (payable tax free)
 - Benefit Period – To age 65 or 2 years if greater
 - Stand Down Period – 13 weeks
- Critical Illness Insurance cover set at the lower of 50% of your salary or \$75,000.

Great Concessions

- Discounted premiums.
- Automatic acceptance prior to age 65, regardless of medical history, up to a maximum benefit of:
 - Life Insurance: **\$1,000,000** (equal to salary of **\$333,333**)
 - Income Protection: **\$132,000** per year (equal to salary of **\$240,000**)
 - Critical Illness Insurance: **\$75,000** (equal to salary of **\$150,000**)

- Pre-existing medical conditions are automatically insured.
- Premiums are automatically deducted from salary.
- You can continue the insurance if you leave Fonterra to work for another employer.

What will I pay?

- Getting a quote is easy using our online calculator – just log onto nz.mercermarshbenefits.com/fonterra and enter your details to obtain your premiums.
- Fonterra employees can also search 'benefits' in Milkyway to be directed to the Employee Benefits Workgroup.
- Premiums are reviewed annually on 1 November.



Life Insurance

The life insurance plan will provide a tax-free lump sum benefit if you die.

The benefits:

- Lump sum payment of three times your annual base salary as at the 1 November policy renewal date prior to death.
- Life insurance available up to the age of 70.
- 24/7 worldwide insurance.
- Tax free.
- Can be transferred to a private policy if you leave Fonterra.
- Automatic Acceptance of pre-existing medical conditions if you apply within 90 days of employment.
- The life insurance benefit is normally payable to your estate and will be tax-free.

Terminal Illness Benefit

In the case of terminal illness, the insurer will consider paying the benefit outlined above where medical evidence indicates that you have less than 12 months to live.



Critical Illness Insurance

The critical insurance plan will provide a tax-free lump sum benefit if you suffer one of a number of specified critical illnesses (see nz.mercermarshbenefits.com/fonterra for full details of this comprehensive cover).

The benefits:

- Lump sum payment of 50% of your annual base salary as at the 1 November policy renewal date prior to claim up to a maximum of \$75,000.
- Critical Illness insurance available up to the age of 70.
- 24/7 worldwide insurance.

- Provides a tax free lump sum payment. You do not need to be unable to work to be able to make a claim.
- Can be transferred to a private policy if you leave Fonterra.
- Applications for Critical illness in the first 90 days of employment benefit from automatic acceptance, without any medical underwriting but exclude any pre-existing conditions that you know about, or should reasonably have known about, for a period of 2 years from commencement –please refer to the policy document for full information.

Best Doctors

Best Doctors gives you access to the world's leading medical specialists from the comfort of your own home. If you or a member of your family faces an illness, injury or medical condition, Best Doctors will collect your medical records and arrange for a top international expert to review your case. Best Doctors now also provides mental health support. To find out more please visit their website: www.askbestdoctors.com

Income Protection Insurance

Income Protection insurance provides you with a monthly tax-free benefit if you are temporarily or permanently unable to work due to sickness or accident. It is based on:

- Being unable to perform your own occupation.
- A wait (deferment) period of 13 weeks following commencement of disablement.
- 55% of your base salary as at 1 November prior to your disablement.
- Payment until your 65th birthday, return to health, or death – whichever occurs first (or 2 years if greater, up to age 70).
- Income protection available until age 70.
- The annual benefit increasing by the CPI or 5%, whichever is lower, whilst on claim.
- Any other earned income, other insurance or ACC benefit, being offset against the benefit.

A pro-rata benefit may be paid in the case of partial disability if, after consideration of medical and other appropriate evidence, the insurer is satisfied that the employee:

- has been totally disabled for at least 14 continuous days during the wait period, and
- has become incapacitated directly as a result of the sickness or accident to such an extent as to prevent them from working full time in their own occupation

The income protection insurance benefit is normally paid to you monthly in arrears and will be tax-free.

Premiums

Premiums and benefits are reviewed annually on 1 November, and will be adjusted in line with any changes in age and salary.

Continuation option

If you leave Fonterra before your 65th birthday, you may continue insurances by purchasing individual policies in your own name. This can be done with minimal medical information providing that:

- Application is received by the insurer within 60 days of you leaving Fonterra,
- Your new occupation is classified as having no greater risk than your current occupation,
- The new premium will be based on age, gender, smoking status, occupation and personal pursuits applying at the time the policy is effected,
- Any special terms or conditions (for example medical exclusions) applying under this policy may also apply to the individual policy.

Income protection insurance is only available if you have another job to go to.

Information regarding the continuation of insurance when changing employment can be requested from Mercer Marsh Benefits™.

Brilliant insurance

- 1 page application
- Very competitive premiums
- Deductions from salary
- No medical questions to answer
- Tax free benefits
- Can be continued if you leave Fonterra

How to apply

3 simple steps:

1. Decide to apply within 90 days of employment to be eligible for 'Automatic Acceptance' of pre-existing medical conditions.
2. Complete the application form enclosed, OR Download an application form from: nz.mercermarshbenefits.com/fonterra
3. Forward the signed application form to: welfarefund.nz@mercermarshbenefits.com

About the Insurer

Mercer Marsh Benefits™

Mercer Marsh Benefits™ are the insurance broker for the Fonterra Welfare Fund.

Mercer Marsh Benefits™ are the largest broker of employee benefit plans in New Zealand.

Mercer Marsh Benefits™ is a trading name of Marsh Ltd.

Resolution Life

AMP Life Limited was acquired by Resolution Life in June 2020 and changed its name to Resolution Life Australasia Limited in October 2021

Resolution Life is a global manager of in-force life insurance businesses who provide customers with peace of mind that their insurance is in safe and trusted hands for the long term.

Since 2003, various Resolution Life entities have committed over US\$16 billion of equity in the acquisition, reinsurance, consolidation and management of 28 life insurance companies. Together, these companies have served the needs of over 10 million policyholders while managing over US\$320 billion of assets. Resolution Life focuses on delivering policyholder benefits in a secure, well capitalised environment.

Resolution Life is backed by large investors who are leading financial institutions, insurance companies, pension plans, sovereign wealth funds and family offices.

Resolution Life Financial Strength

Resolution Life Australasia Limited (Resolution Life) has an A (Strong) Insurer Financial Strength Rating given by Fitch Australia Pty Limited (Fitch), an approved rating agency.

AIA New Zealand Ltd

Critical illness Insurance is provided through AIA New Zealand Ltd.

AIA Group is one of the largest life insurers in the world, with a presence in 18 markets across Asia Pacific. AIA New Zealand Limited is part of the AIA Group and has been providing insurance to New Zealanders since 1981.

AIA New Zealand Ltd are New Zealand's largest life insurer and pay out more claims than any other life insurer in New Zealand.

AIA New Zealand Limited Financial Strength

AIA New Zealand Limited has been given an AA (Very Strong) insurer financial strength rating by Fitch Ratings, an approved ratings agency. A rating of AA means AIA New Zealand Limited has a very strong capacity to meet policyholder and contractual obligations.

Important:

The information in this booklet applies to employees working at the following companies:

- Fonterra Co-operative Group Ltd
- DairyNZ
- Global Dairy Trade
- LIC
- DTL
- Kotahi

This benefit does not apply to employees whose role falls within coverage of a collective employment agreement.

The Policy Document sets out the full terms and conditions of the Insurance. This booklet provides a brief summary of the main benefits provided under the Fonterra Welfare Fund Insurance Plan and is not part of the policy document. Copies of the policies are available on the Fonterra Employee Benefits Workgroup or from Marsh. Underwriting may be required in some circumstances.

Contact us

For more information on the insurance plans, please contact Mercer Marsh Benefits™:

- 0800 805 333
- welfarefund.nz@mercermarshbenefits.com
- nz.mercermarshbenefits.com/fonterra
- FreePost MMB AUCKLAND
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Shortland Street
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