



**PPS Mutual
Professionals' Choice**

General terms and conditions



Introduction

The General Terms and Conditions document is a key part of our agreement with you. It explains how your **policy** works. For a complete understanding, read it alongside the **policy schedule** and the **cover terms**.

The **policy schedule** outlines the **cover type, acceptance terms, sums insured, premiums**, premium patterns, and optional benefits and features that you have chosen for each **life insured**.

The **cover terms** explain the insurance benefits available under each selected **cover type**.

When we use the following words in this **policy**, here's what we mean:

- '**Life insured**' means a person insured for the relevant **cover** as named in the **policy schedule**.
- 'You' or 'your' means the **policy owner** on the **policy schedule**.
- 'We', 'our', or 'us' means **PPS Mutual**.



For any terms shown in both bold and italics (**like this**), refer to the glossary at the end of this document for the specific meanings.



How to contact us

If you want to get in touch, you can reach us in a few ways:

- Enquire online at ppsmutual.co.nz/contact
- Email us at contact@ppsmutual.co.nz
- Phone us, on 0508 PPS Mutual (0508 777 6888) – we're available Monday to Friday 8:30am to 5pm.
 - If you are currently overseas: +64 9 918 9140



Complaints

If you have a complaint about your **policy** or the service we provided, please let us know so we can work with you to resolve your concerns.

You can raise complaints directly with **PPS Mutual**, or visit our website for more information:
ppsmutual.co.nz

You can contact the Ombudsman

If you're not satisfied with our response to your complaint, you may follow our external dispute resolution process.

PPS Mutual is a registered financial service provider and a member of the Insurance and Financial Services Ombudsman (IFSO) Scheme. This Scheme is an approved free and independent complaints resolution service available to consumers.

The IFSO can only consider complaints within its Terms of Reference and after you have followed **PPS Mutual's** internal complaints process and we have sent a communication acknowledging this to you.

For more information, or to access the IFSO process, call 0800 888 202 or visit ifso.nz.

Your policy cover

Your **policy** provides insurance **cover**, as outlined in the **policy schedule** for each **life insured** and in accordance with the **cover terms** for the relevant **cover type**.

Cover for the **life insured** starts on the **date of commencement** shown on the **policy schedule** for each selected **cover type**.

PPS Mutual will always pay claims to the **policy owner(s)**. If more than one person is a **policy owner**, then we will pay claims as directed in writing by all **policy owners**.



Worldwide cover

Your **policy** covers the **life insured** anywhere in the world. All payments **PPS Mutual** makes under this **policy** will be in New Zealand dollars and to a New Zealand bank account.



Built in benefits and features

Your **policy** comes with the following built-in benefits and features.



Policy Upgrade Benefit

If **PPS Mutual** makes an enhancement to a **cover terms** section under the latest version of its PPS Mutual Professionals' Choice policy and the enhancement is favourable to the **life insured**, the enhanced **cover terms** will be applied, subject to the following conditions:

- **PPS Mutual** will compare the enhanced **cover terms** in the latest version of PPS Mutual Professionals' Choice policy and your **policy**. **PPS Mutual** will apply the **cover terms** that are most favourable to you.
- For claims:
 - **PPS Mutual** will only apply the enhanced **cover terms** if the **claim event date** occurs on or after the **upgrade date**.

- If the nature of the change to **cover terms** means that it cannot be determined at the time of the **claim event date** whether the change will be clearly favourable to you or not, you will need to choose whether or not the change will apply to the claim. After you have made that choice, your choice cannot be changed in relation to your claim.

For the avoidance of doubt, the Policy Upgrade Benefit will be applied in respect of the **condition(s)** you are making a claim for. It does not mean that you are choosing any particular version of the **cover terms** for future claims.

Limitations

The Policy Upgrade Benefit will not apply to any built-in benefits or features under your **policy** that have subsequently become optional benefits or features under the latest version of PPS Mutual Professionals' Choice policy.

2.

Premium Holiday Benefit

PPS Mutual will waive up to the equivalent of six (6) monthly **premiums** without affecting **cover** under this **policy**, if any **life insured** experiences one of the following events:

- bankruptcy; or
- no-asset procedure; or
- death of a **spouse** or **dependent child** of the **life insured**; or
- stopping their **usual occupation** to become a **full time** caregiver for a **spouse** or **dependent child** of the **life insured** because of an **illness** or **injury** lasting more than forty five (45) consecutive days; or
- the **life insured** is not able to undertake their **usual occupation** for more than forty five (45) consecutive days due to a natural disaster; or
- involuntary unemployment for more than forty five (45) consecutive days.

You can apply for the Premium Holiday Benefit by providing **PPS Mutual** with satisfactory evidence of the applicable event.

The Premium Holiday Benefit is subject to the following conditions:

- The **policy** must not be in **premium** arrears.
- The total of all Premium Holiday periods that can be used during the term of this **policy** is six (6) months.

You may end a Premium Holiday at any time by advising **PPS Mutual**.

Limitations

The Premium Holiday Benefit is subject to the following limitations:

- You cannot use the Premium Holiday Benefit for the first one-hundred and eighty (180) days after the **date of commencement** for the **policy**.
- No voluntary changes in **cover** can be made to your **policy** during the Premium Holiday period.

3.

Policy Suspension Feature

You can cease **cover** and **premiums** for your **policy** for up to twelve (12) months. You can apply for the Policy Suspension Feature by providing **PPS Mutual** with details of your nominated suspension period.

The Policy Suspension Feature is subject to the following conditions:

- The **policy** must not be in **premium** arrears.
- The total of all Policy Suspension periods that can be used during the term of this **policy** is twelve (12) months.

Limitations

The Policy Suspension Feature is subject to the following limitations:

- Each **life insured** will not be covered during the suspension period. This means that **PPS Mutual** will not pay a claim for a **life insured** if the **claim event date** occurs during the suspension period.
- Once we have accepted your request for a Policy Suspension, the suspension period cannot be reduced.
- No voluntary changes in **cover** can be made to your **policy** during the suspension period.



What your policy doesn't cover

Your **policy** may contain specific limitations and exclusions that are described in the **acceptance terms** appearing within your **policy schedule**. Your **policy** also contains specific limitations and exclusions within each of the **cover terms** applicable for each **life insured**.

In addition, the following general exclusions apply to your **policy**:

- **PPS Mutual** will not pay a claim where you have not provided all relevant information which **PPS Mutual** reasonably requires to assess a claim.
- **PPS Mutual** will not pay a claim where the **life insured** refuses to undergo a medical examination or confirmatory tests which **PPS Mutual** reasonably requires to assess a claim.
- **PPS Mutual** may not pay a claim or may reduce a claim where a **policy owner** or a **life insured** has been fraudulent.



How to make a claim

To help us process your claim quickly, please contact your **Adviser** or us as soon as possible.

PPS Mutual will ask you for reasonable information required to assess your claim. This may include medical evidence, financial information, and occupational information relevant to your claim. You are responsible for meeting any costs associated with providing this information.

You have a duty to act honestly when making a claim, including providing all material information to **PPS Mutual** in support of your claim and ensuring that all information provided is true and correct. If you act dishonestly in any way in making your claim, **PPS Mutual** can decline your whole claim or part of it, cancel your **policy**, and/or remove or reduce **cover** for any **life insured**, in accordance with the terms of this **policy**.

PPS Mutual may request that the **life insured** receives a second opinion from a relevant medical professional or undergoes follow-up medical examinations or tests to confirm that the **life insured** has experienced a **condition** covered by this **policy**. **PPS Mutual** will meet the direct costs associated with obtaining this second opinion.

Other things you should know about making a claim

If **PPS Mutual** overpays you on a claim, we may choose to recover the overpaid amount from you or deduct it from a future claim payment.

If **PPS Mutual** is entitled to recover money from you at any time (including **premium** arrears), we may offset or deduct the amount owed from any claim payment.



Your premiums and cover options

To ensure your **policy** remains in force, you must pay the regular **premium** shown in the **policy schedule** or communicated in your **policy anniversary** letter.

For the purposes of calculating **premiums**, we will always calculate the **life insured's** current age as the **life insured's** age as at the quote created date for the **policy**, as shown on the **policy schedule**, plus the number of complete years the **policy** has been in force. The quote created date is the date when the applicable quote for the **policy** was first prepared and subsequently issued by **PPS Mutual**.

The **premium** on your **policy** may change from time to time, as described below.

How you can pay your premiums

You must pay all **premiums** directly to **PPS Mutual**. **PPS Mutual** accepts the following methods of **premium** payment:

- direct debit; or
- credit card; or
- debit card.

PPS Mutual may limit the types of credit or debit cards that it accepts and reserves the right to alter this list of accepted methods of **premium** payment to reflect:

- changes in technology; or
- changes to banking practices implemented in New Zealand; or
- regulation and legislation changes.

PPS Mutual will give thirty (30) days' notice before any change takes effect.

Premium frequency

You can choose to pay your **premium** fortnightly, monthly, or annually. For fortnightly or monthly **premiums**, you can choose when your **policy's** first **premium** is due within a fortnight or month after the **policy's date of commencement** respectively. If you choose to pay your **premium** monthly, you must pay your **premium** between the 1st and 28th of the month. If you choose to pay your **premium** annually, your first **premium** is due on the **policy's date of commencement**.

The due date of regular **premiums** after your first **premium** will be based on your chosen **premium** frequency and the due date of your **policy's** first **premium**.

Your **premium** amount will depend on the **premium** payment frequency that you have chosen shown on your **policy schedule** or, if you change your premium frequency, the **premium** frequency communication from **PPS Mutual** confirming that change. For example, an annual **premium** is less per year than a **premium** that is paid monthly or fortnightly.

As **premiums** are collected in advance, if you pay your **premiums** fortnightly or monthly, then the **premium** immediately preceding each **policy anniversary** will be proportionately adjusted for the part of that **premium** (if any) for the coverage period between your **policy anniversary** and the next **premium** payment date using the **premium** applicable after the **policy anniversary**. **PPS Mutual** will inform you of this adjusted **premium** amount in your **policy anniversary** letter.

Your sum insured options

PPS Mutual offers the following choice of two (2) **sum insured** options for each **cover**. Your selected options appear on your **policy schedule**.

Level sum insured

The **sum insured** for the relevant **cover** will remain constant at each **policy anniversary**.

Inflation adjusted sum insured

The **sum insured** for the relevant **cover** may increase on each **policy anniversary** (as described below) by a rate determined by **PPS Mutual** having regard to the annual rate of inflation in the economy and professional wage cost inflation.

Changes to a cover within sixty (60) days before the next policy anniversary

If you voluntarily increase or decrease the **sum insured** for a **cover**, as shown in the **policy schedule**, within sixty (60) days before the next **policy anniversary**, the inflation adjustment will not apply to the **sum insured** for that **cover** at the next **policy anniversary**.

Inflation adjustment for accelerated cover

If the **life insured** has Trauma Cover Accelerated or Total and Permanent Disablement Cover Accelerated, the Accelerated Cover **sum insured** cannot exceed the Life Cover **sum insured** to which the Accelerated Cover is linked, as shown on the **policy schedule**.

Where an inflation adjustment increase to an Accelerated Cover would cause the **sum insured** to exceed the linked Life Cover **sum insured**, **PPS Mutual** will not apply the inflation adjustment increase to the Accelerated Cover **sum insured**.

When can your premium change?

Your **premium** can change depending on:

- any inflation adjustment increases to the **sum insured** for each **cover**; and
- your chosen premium pattern for each **cover**; and
- voluntary changes you make to your **policy**; and
- contractual changes to your **policy**; and
- changes to underlying premium rates; and
- changes to taxation, legislation, or regulation.

Recalculations of your **premium** at each **policy anniversary**, including due to inflation adjusted increases (if any), are reflected in the regular **premium** for your **policy** from the **policy anniversary**.

Inflation adjustment

The **premium** for any inflation adjusted increases applied to the **sum insured** for a **cover** at each **policy anniversary** will initially be calculated based on:

- the **life insured's** age at that **policy anniversary** (calculated using the quote created date for the **policy**, as described above); and
- the chosen premium pattern for the **cover**; and
- any **acceptance terms** for the **life insured**; and
- **PPS Mutual's** underlying premium rates, which may change at **PPS Mutual's** discretion from time to time.

Premium patterns

PPS Mutual offers the following premium patterns for each **cover type**:

- rate for age; and
- age smoothed.

Rate for age:

The **premium** for each **cover** is recalculated at each **policy anniversary** based on:

- the **life insured's** age (calculated using the quote created date for the **policy**); and
- the **sum insured** for the **cover**; and
- any **acceptance terms** for the **life insured**; and
- **PPS Mutual's** underlying premium rates, which may change at **PPS Mutual's** discretion from time to time (as described below).

Age smoothed

The **premium** for each **cover** has been smoothed to reduce the impact of age-related increases over the selected premium term. This means that the **premium** for the **cover** is recalculated at each **policy anniversary** based only on:

- the **sum insured** for the **cover**; and
- any **acceptance terms** for the **life insured**; and
- **PPS Mutual's** underlying premium rates, which may change at **PPS Mutual's** discretion from time to time.

Once the **life insured** reaches the first **policy anniversary** on or after the end of their selected age smoothed term, the premium pattern will convert to rate for age.

Changes to underlying premium rates

For age smoothed premium patterns for Life Cover and Terminal Illness **cover types**, **PPS Mutual** will only change the underlying premium rates to allow for the expected impacts of relevant changes in taxation, legislation, or regulation (as described below).

For age smoothed premium patterns for all other **cover types**, including optional benefits and features available under Life Cover and Terminal Illness **cover types**, and for all **cover types** with rate for age premium patterns, **PPS Mutual** may change underlying premium rates at its discretion across applicable cohorts of business.

No increases in **premiums** will ever apply to your **policy** based on your own claims experience.

Voluntary policy changes

You can request the following voluntary changes to your **policy**, which may change the regular **premiums** you pay:

- reduce or cancel **cover** for a **life insured**; or
- increase **cover** or apply for new **cover** for a **life insured**; or
- change the premium pattern for a **cover**; or
- change the **premium** payment frequency for your **policy**; or
- increase or decrease the **claim payment term** of a **cover**; or
- increase or decrease the **cover expiry term** of a **cover**; or
- increase or decrease the **waiting period** of a **cover**; or
- a review of your **acceptance terms** (for example, completing a non-smoking declaration).

Voluntary changes to your **policy** must be requested by all **policy owners** in writing and a request to increase **cover** must be accepted by **PPS Mutual** based on the usual requirements for that voluntary increase in **cover**.

Any voluntary increases to **covers** under your **policy** that require an increase in **premium**, will be based on the **life insured's** current age (calculated using the quote created date for the **policy**) at the date the change takes effect.

If your regular **policy premium** increases because of a voluntary change you have made to your **policy**, the proportionate increase in the **premium** will be immediately charged for the period between the date of the change and the next **premium** payment date.

If your regular **policy premium** decreases because of a change to your **policy**, you may request a refund of the excess **premium** or allow the excess to be applied to reduce your next **premium** payment.

Voluntary increases in your **cover** may be issued under either the original version of the PPS Mutual Professional's Choice policy applicable to your **cover** or the latest version of the PPS Mutual Professional's Choice policy, depending upon **PPS Mutual's** current business rules and underwriting guidelines.

Limitations

If **PPS Mutual** is waiving the regular **policy premium** due to a Waiver of Premium Cover claim, you cannot make voluntary changes to your **policy** other than requesting a review of your **acceptance terms**.

Contractual policy changes

Your **premium** will change in the following circumstances:

- **cover** is reduced for a **life insured** following a claim; and
- **cover** ceases for a **life insured** at the end of the **cover expiry term** specified in the **policy schedule**; and
- **sum insured** increases due to inflation adjustment (as described above).

Taxation, legislation, or regulation

If changes in taxation, legislation, or regulation occur after the **date of commencement** and affect:

- **PPS Mutual's** liability to pay tax; or
- **PPS Mutual's** legal or regulatory capacity to offer the **policy**; or
- the way in which the **policy** works or amounts which can be paid under a **cover type**,

then **PPS Mutual** can change the **premiums** and provisions of the **policy** to take into account the effect of the change in taxation, legislation, or regulation.



When a cover or policy can be cancelled

You can cancel during the 30-day cooling off period

You may cancel your **policy** within thirty (30) days from the **date of commencement** and receive a refund of **premiums** paid provided that no claim has been paid under the **policy**.

The cancellation of your **policy** must be requested by all **policy owners** in writing.

If you decide to cancel the **policy** within the cooling off period, you may never claim a benefit under this **policy**.

You can cancel your policy

You can request **PPS Mutual** to cancel your **policy**. The cancellation must be requested by all **policy owners** in writing.

PPS Mutual will refund any part of the **policy premium** paid by you which relates to the period of **cover** beyond the effective cancellation date.

When PPS Mutual may cancel or amend your policy or cover

Your policy ceases

PPS Mutual will cancel this **policy** if no **cover** remains in force for any **life insured**.

Outstanding premiums

PPS Mutual may cancel this **policy** once the equivalent of three (3) months or more **policy premiums** have not been paid and any of those **premium** payments are more than one hundred (100) days overdue, or (for annual **premium** payment frequencies) the **premium** is overdue one hundred (100) days or more.

Failure to comply with your duty of disclosure that is not deliberate or reckless

If you:

- fail to comply with your duty of disclosure when applying to commence, vary or reinstate your insurance as outlined in the “Other important information” section below; and
- The misrepresentation was substantially incorrect and material in that, without the misrepresentation, **PPS Mutual** would not have entered into or varied the **policy** at all, or would have done so only on different terms; and
- the failure was not deliberate or reckless,

PPS Mutual may, to the extent permitted by law, have the right to:

- avoid your **policy** from commencement or treat any variation as if it was never made, and, in some circumstances, refuse claims (and we will either return all **premiums** you have paid or return any extra **premiums** you have paid);
- amend the terms of your **policy** from commencement to the terms **PPS Mutual** would have offered if the misrepresentation did not occur – this may include removing or reducing **cover types** or benefits and/or adding **acceptance terms**;
- increase the **premiums** payable under your **policy** for the remainder of the term of the **policy** or until any amendment at the next **policy anniversary**; and/or
- reduce proportionately the amount to be paid on a claim.

Failure to comply with your duty of disclosure that is deliberate or reckless

If you:

- fail to comply with your duty of disclosure when applying to commence, vary or reinstate your insurance as outlined in the “Other important information” section below; and
- The misrepresentation was substantially incorrect and material in that, without the misrepresentation, **PPS Mutual** would not have entered into or varied the **policy** at all, or would have done so only on different terms; and
- the failure was deliberate or reckless,

PPS Mutual may, to the extent permitted by law, have the right to avoid your **policy** from commencement or treat the **policy** as terminated with effect from the date the variation was made, and refuse all claims.

A failure to comply with the duty of disclosure is deliberate or reckless if you:

- knew that the misrepresentation was untrue or misleading, or did not care whether or not it was untrue or misleading; and
- knew that the misrepresentation was a relevant matter to **PPS Mutual**, or did not care whether or not it was relevant to **PPS Mutual**.

Dishonest or fraudulent claims or breach of this policy

PPS Mutual can decline your whole claim or part of it, avoid or cancel your **policy**, and/or remove or reduce **cover** for a **life insured** where you or any **life insured**:

- dishonestly makes a material misrepresentation or acts fraudulently in relation to any claim; or
- commits any material breach of the terms of this **policy**, except for any failure to comply with your duty of disclosure when applying to commence, vary or reinstate your insurance (which will instead be subject to the remedies outlined above).

If **PPS Mutual** cancels your **policy** for any of these reasons, we may not refund any **premiums** you have paid and may recover any money you owe **PPS Mutual**.

Before we remove or reduce your **cover** or avoid or cancel your **policy** for any of the above reasons or in relation to any failure to comply with your duty of disclosure, we will notify you in writing. You will have at least ten (10) working days to provide a written explanation (including any relevant evidence) that you wish **PPS Mutual** to consider and **PPS Mutual** will reasonably consider your explanation.

In the event that a false or fraudulent claim is established after payment of a claim, you might be required to repay either the full claim payment or a specific portion of the claim payment to **PPS Mutual**.

Cancellation due to sanctions

PPS Mutual will cancel your **policy** if any **policy owner**; any director, shareholder or other person who indirectly or directly controls a **business** that is a **policy owner**; or any **life insured** on the **policy** is the subject of any sanction or other relevant prohibition or restriction under the laws or regulations of New Zealand.

You may be able to reinstate your policy

You may request **PPS Mutual** to reinstate your **policy** after it is cancelled due to outstanding **premiums**. **PPS Mutual** does not have to reinstate the **policy** but may do so on any conditions we consider appropriate.



When we can amend your policy

We can amend your policy to correct errors

PPS Mutual can amend your **policy** if we identify an error for the following reasons:

- the **acceptance terms** that you agreed to before your **date of commencement** are incorrectly stated on your **policy schedule**; and
- any subsequent **policy schedule** that **PPS Mutual** issues you after the **date of commencement** for a voluntary or contractual change which incorrectly reflects the intended change.

We can amend your policy to review and enhance our systems and processes

From time-to-time, **PPS Mutual** may review and enhance its systems and processes to ensure that we can administer policies effectively using those systems and processes – for example, as part of a systems modernisation. When this happens, we may amend administrative provisions of relevant **PPS Mutual policies** to reasonably account for these changes. If we do so, we will ensure that these changes are fair to our customers.

PPS Mutual will not use this clause to change any **cover** (including **conditions**, benefits, or features) under your **policy** nor will we use this clause to amend **premiums** or **premium** rates.

For example, **PPS Mutual** will not use this clause to change any covered **conditions** under your **policy** or your **premium**. However, we may use this clause to amend the payment options we offer, how we communicate with you, or how we process your **premiums**.

Other important information

What forms part of your policy

All the terms of this **policy** are contained in and based on:

- this General Terms and Conditions document and the most recent **policy schedule**; and
- the relevant **cover terms** for each **cover type** that you have chosen for each **life insured** as set out in the most recent **policy schedule**; and
- any application forms and declarations made by you and each **life insured**.

You have a duty of disclosure

When you apply to commence, vary, or reinstate your insurance, you have a duty to take reasonable care to ensure that you and each **life insured** does not make a misrepresentation to **PPS Mutual** or your **Adviser**, including in relation to information about the life and health of each **life insured**. This includes taking reasonable care to accurately answer all questions **PPS Mutual** asks and to not give any misleading, incomplete or irrelevant answers.

This is a continuous duty that extends until your **policy** is issued, varied, or reinstated. If something happens before then which affects the accuracy of information provided to **PPS Mutual** – including in relation to any **life insured** – you must notify **PPS Mutual**.

As set out above, failing to comply with your duty of disclosure can have significant consequences for your insurance cover.

We will communicate with you by email

When **PPS Mutual** communicates to you or the **life insured** about this **policy**, we will send the communication to the relevant nominated email addresses for each **policy owner** or **life insured**. You must notify **PPS Mutual** of any changes to your email address.



Change of ownership

You may transfer the ownership of your **policy** at any time with written agreement from all current and proposed **policy owners** in the form required by us.



Statutory Fund

Your **policy** is part of the PPS Mutual Statutory Fund.



Policy subject to laws of New Zealand

The laws of New Zealand govern this **policy**, which has been issued in New Zealand.



No surrender value

This **policy** does not participate in the profits of **PPS Mutual**. The **policy** has no surrender value or cash value if cancelled.

Glossary of defined terms

In this **policy** document and **cover terms**, these words have specific meanings.



ACC

The Accident Compensation Corporation (or any organisation or agency executing or administering the Accident Compensation Act 2001 or any replacement legislation).

acceptance terms

The terms that **PPS Mutual** has offered and you have accepted for the **life insured** during an application process or afterwards, including **premium** loadings and exclusions.

accident

Injury caused by violent, accidental, external, and visible means (and **accidental** has a corresponding meaning).

adviser

An Adviser accredited under a current Distribution Agreement with **PPS Mutual**.

activities of daily living

Means:

- bathing and showering; and
- dressing and undressing; and
- eating and drinking; and
- using a toilet to maintain personal hygiene; and
- moving from place to place by walking, wheelchair, or with the assistance of a walking aid.

application date

The date **PPS Mutual** received the insurance application for this Cover, Optional Benefit, or a request to increase **cover** for the **life insured**.

B

burns

Deep partial-thickness burns or full thickness burns to the skin requiring surgical debridement and skin grafting or flap reconstruction.

business

The enterprise which the **life insured** is financially associated with, by way of shareholding or other ownership interest, employment and/or personal debt guarantees.

C

claim event date

The date on which the **life insured** or any other person insured under a **PPS Mutual policy** first met the specified definition for the **condition** being claimed on.

claim payment term(s)

The maximum duration for which any Total or Partial Disability claim, including related claims under the Recurring Claim Fast-Track Feature, will be paid as shown in the **policy schedule**.

condition(s)

Means:

- death; or
- **illness** or **injury**; or
- disability; or
- **medical treatment**; or
- any other event,

as specified in a **cover terms** section giving rise to a claim under your **PPS Mutual policy**.

congenital

A **condition** or defect of health which is present at birth or for which a **dependent child** of a **life insured** had signs or symptoms within three (3) months of birth whether diagnosed at the time or not. This includes inherited **conditions**, and **conditions** caused by environmental or behavioural factors, or drugs and alcohol for the parent or the foetus during pregnancy or birth.

cover

Insurance coverage provided under a **cover type**, including optional benefits, features, and increases in the **sum insured** under each **cover type**.

cover terms

The insurance benefits available under each selected **cover type** for a **life insured**.

cover type

One of the types of insurance cover available under the PPS Mutual Professionals' Choice policy, as described in the **cover terms**.

cover expiry term

Cover will cease at the **policy anniversary** corresponding to the cover expiry term shown in the **policy schedule**.

criminal act

Participation in a crime which the **life insured** has received or could receive a sentence of:

- imprisonment; or
- home detention; or
- community detention.

CT

Computed Tomography.



daily amount

The Income Protection Cover or Key Person Protector Cover **sum insured** divided by the number of days in the applicable calendar month.

date of commencement

The date that the **policy** or **cover** commences, as shown on the **policy schedule**.

dependent child(ren)

A child (including an unborn child or unborn surrogate child with a gestational age of at least twenty-four (24) weeks) up to and including the age of twenty-four (24) years, who is the child of the **life insured** by way of birth or adoption or is under the legal guardianship of the **life insured** at the time of claim, and is:

- living with the **life insured** at the time of claim; and/or
- receiving financial support from the **life insured** at the time of claim.

doctor

A medical practitioner who holds a current practising certificate in compliance with the Health Practitioners Competence Assurance Act 2003 (or its successor) and who is registered and practising as a medical practitioner in New Zealand or Australia.

Where the **life insured** is not in New Zealand, **PPS Mutual** will consider the advice of a medical practitioner with qualifications equivalent to New Zealand or Australian standards.

The **doctor** must be independent of the **life insured** or **policy owner**, which means the **doctor** cannot be:

- a **life insured** or **policy owner** listed on the **policy schedule**;
- a business partner or associate of a **life insured** or **policy owner** listed on the **policy schedule**; or
- **immediate family** of a **life insured** or **policy owner** listed on the **policy schedule**.

ECG

Electrocardiogram.



full time

At least thirty (30) hours per week.

full-time care

Having primary responsibility and actively undertaking, whether shared or alone, the **full time** day-to-day care of persons who cannot safely take care of themselves without supervision due to **illness** or **injury**.



HDU

High Dependency Unit.

hospice

A healthcare facility providing palliative care services for terminally ill patients that holds regular or associate service membership with Hospice New Zealand (or the appropriate international equivalent).

hospital

A hospital providing hospital care as defined in the Health and Disability Services (Safety) Act 2001 (or any replacement legislation or appropriate international equivalent legislation) but not including a **hospice**, nursing home or convalescent care facility, even if it is associated with a hospital.



ICU

Intensive Care Unit.

illness

Any sickness or disease which has not been caused by an **accident**.

immediate family

A mother, father, brother, sister, son, daughter, father-in-law, mother-in-law, grandfather, grandmother, grandchild or **spouse**.

income

The income earned each month (before tax) by your own personal exertion.

Your **income** includes:

- salary and wages; and
- packaged fringe benefits; and
- the average monthly amount earned from the previous twelve (12) months before the **claim event date** for any of the following:
 - bonuses; and
 - commissions; and
 - overtime payments; and
 - superannuation contributions.

If you are **self-employed**, **income** also includes your share of the net profit before tax (or loss) from any **business** derived from your personal exertion (after deduction of all **business** expenses).

Income does not include **income** which is not reliant on your own personal exertion, such as dividends, investment income, interest, rental income, proceeds from the sale of assets, or royalties.

If there is a delay between the time you generated your monthly **income** and when you actually receive it, **PPS Mutual** will deem you to have received it in the month you actually generated the **income**.

Conversely, **PPS Mutual** will not include any **income** earned prior to the date of disability which is paid during the period of disability in its calculation of **income** earned during the period of disability.

injury

A physical impairment which has solely been caused by an **accident**.

insurance offsets

Comprises for the **life insured** the following amounts:

- benefits received or entitled to be received from **other income protection policies** except for those benefits disclosed to **PPS Mutual**; and
- benefits received or entitled to be received from **other income protection policies** unless **PPS Mutual** Income Protection covers were disclosed to other insurers.



life insured

A person insured for the relevant **cover** as named in the **policy schedule**.

loss of use

The inability to use the affected limb in a meaningful or practical way, such as holding, grasping, typing, carrying, standing or walking.



major treatment

A course of systemic chemotherapy, radiotherapy, or immunotherapy considered **medically necessary** by an appropriate **specialist** required to treat, arrest or cure a **condition**.

medical treatment

A course of prescribed medicine or a therapeutic procedure required to treat, arrest or cure a medical condition.

medically necessary

A service or supply provided by a **doctor** or **specialist** available in the New Zealand public health sector which they consider reasonably necessary to treat the **life insured's condition** or **dependent child's condition**.

medically retired

The **life insured** permanently leaves the **business** or sells their interest in the **business** due to **illness** or **injury**.

MRI

Magnetic Resonance Imaging.



non-income offsets

Comprises for the **life insured** the following amounts:

- weekly compensation or other income replacement benefits received or entitled to be received from **ACC** in connection with the same disability. The **life insured** will be deemed by **PPS Mutual** to be entitled to receive a benefit from **ACC** if the **life insured** does not make a reasonable effort to comply with the requirements to receive a claim from **ACC**; and
- **insurance offsets**.

no offset sum insured

The **no offset sum insured** as shown on the **policy schedule** for the **life insured**. The **no offset sum insured** is subject to the same **sum insured** adjustment option selected for the Agreed Value Income Protection Cover for the **life insured**.

normal domestic duties

Means a person:

- cleaning the home; and
- cooking meals for themselves and/or their **immediate family**; and
- doing laundry for themselves and/or their **immediate family**; and
- driving a car; and
- shopping for groceries for themselves and/or their **immediate family**; and
- taking care of any **immediate family** (where applicable).

Normal domestic duties do not include duties outside the **life insured's** home for salary, reward, or profit.

nurse

Any appropriate health provider who is a registered nurse with the Nursing Council of New Zealand.

Where the **life insured** is not in New Zealand, **PPS Mutual** will consider an international equivalent qualification.

The **nurse** must be independent of the **life insured** or **policy owner**, which means the **nurse** cannot be:

- a **life insured** or **policy owner** listed on the **policy schedule**; or
- a **business** partner or associate of a **life insured** or **policy owner** listed on the **policy schedule**; or
- **immediate family** of a **life insured** or **policy owner** listed on the **policy schedule**.



offsets

Comprises for the **life insured** the following amounts calculated before tax:

- **non-income offsets**; and
- **income** earned by the **life insured** from being actively involved in or actively carrying on a **business**.

ordinary and typical

Ordinary and typical effects of pregnancy, including but not limited to morning sickness, backache, varicose veins, ankle swelling, fatigue, bladder problems, multiple pregnancy, carpal tunnel syndrome, or participation in an IVF or similar programmes.

other income protection policies

Insurance policies from insurers other than **PPS Mutual** and **ACC** that pay an income-style claim for a period of disability, such as key person protection, income protection and mortgage protection policies.



policy / policies

This insurance policy you have with **PPS Mutual** and includes these General Terms and Conditions, the relevant **cover terms** section(s), and the **policy schedule**.

policy anniversary

The annual anniversary of your first scheduled **policy premium** payment. Your **policy anniversary** is shown in the **policy schedule**.

policy owner

The person, people, or business named as the 'policy owner' in the **policy schedule**.

policy schedule

The most recent schedule included with this **policy** containing details of coverage and ownership of the **policy**, as amended from time-to-time following a **policy anniversary** or alteration to your **policy**.

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pre-disability income

The highest average monthly **income** before tax earned by the **life insured** across any consecutive twelve (12) month period in the three (3) years prior to becoming disabled.

pre-disability working hours

The average number of hours per week which the **life insured** worked in the twelve (12) months immediately before becoming totally disabled or partially disabled up to a maximum of sixty (60) hours per week.

premium(s)

The regular amount that you pay to **PPS Mutual** for **cover** under this **policy**, as amended from time-to-time with effect from a **policy anniversary** or alteration to your **policy** or in accordance with these General Terms and Conditions.

professional business premises

A building where the **life insured** provides professional services for their **usual occupation**.

R

radical surgery

Surgery which is considered **medically necessary** by an appropriate **specialist** to arrest the spread of a malignancy which involves the removal of the entire affected organ (which includes: breast, cervix, ovary, fallopian tube, vagina, vulva, prostate, bladder, testicle). This definition also includes **surgery** to remove a substantial portion of the colon or rectum.

recruitment costs

Reasonable direct expenses incurred in finding a new employee or locum to join the **business** – for example:

- direct costs to advertise the vacancy; or
- recruitment agency fees; or
- background checks and screening.

Indirect recruitment costs (for example, internal costs associated with interviewing candidates), employment-related costs (for example, wages, contractor rates, etc.), sign-on or retention bonuses, employee relocation expenses, and employee onboarding costs (for example, computer hardware) are excluded.

related condition(s)

Any **condition** that **PPS Mutual** reasonably determines, based on evidence, is related to an earlier **condition** for which **PPS Mutual** has paid a claim for a **life insured** or an **immediate family** member. This includes:

- any **condition** that shows an increase in the severity level of the same **condition**; and
- any **condition** that:
 - arises in connection with; or
 - is a complication of; or
 - results from; or
 - is a consequence of; or
 - is a complication of treatment for,

a **condition** for which **PPS Mutual** has paid an earlier claim.

relocation costs

Reasonable costs to relocate the **life insured's** place of work from one operating premises to another to enable the **life insured** to return to work.



self-employed

A **life insured** listed as self-employed on the **policy schedule** and/or a **life insured** whose primary occupation is working:

- as a sole trader; or
- as a partner in a partnership; or
- as a consultant or contractor on a fixed-term agreement; or
- in a **business** operated by a company where the **life insured** holds a twenty-five percent (25%) or greater shareholding either directly or indirectly (including shareholding in the name of a trust, another legal entity or in the name of the **life insured's spouse**).

specialist(s)

A medical **doctor** who is a member of an appropriately recognised specialist college and has authority granted under the Health Practitioners Competence Assurance Act 2003 (or its successor) to perform that health service and has Medical Council of New Zealand (or its successors) vocational registration for that health service.

Where the **life insured** is not in New Zealand, **PPS Mutual** will consider the advice of a medical practitioner with qualifications and experience equivalent to New Zealand or Australian standards.

The **specialist** must be independent of the **life insured** or **policy owner**, which means the **specialist** cannot be:

- a **life insured** or **policy owner** listed on the **policy schedule**; or
- a **business** partner or associate of a **life insured** or **policy owner** listed on the **policy schedule**; or
- **immediate family** of a **life insured** or **policy owner** listed on the **policy schedule**.

spouse

A married partner, de facto partner, or civil union partner.

sum insured

The insured amount applicable for a **life insured** for a **cover**, as detailed in the **policy schedule**.

surgery

A medically necessary surgical procedure performed by a **specialist** or **doctor** for the following reasons:

- preventing, arresting, or treating a **condition**; and/or
- preventing or treating disfigurement due to a **condition**.



terminal illness

Progressive **illness** which has been diagnosed as terminal by a **specialist** and for which a **specialist** has confirmed in writing that the **life insured**'s life expectancy would more likely than not be less than twelve (12) months even if the **life insured** were to receive all reasonable treatment.



underwritten

All medically and financially underwritten **sum insured** for a **life insured**, less any reductions in **sum insured** requested by the **policy owner**. For the avoidance of doubt, this excludes increases in the **sum insured** due to inflation adjustments and increases exercised under the Specified Life Event and Optional Business Insurability features.

usual occupation

The **life insured**'s principal profession or occupation performed prior to suffering a **condition**.

upgrade date

The date that the relevant enhancement to a PPS Mutual Professionals' Choice policy comes into effect, as determined by **PPS Mutual**.



waiting period

The period shown in the **policy schedule** that must pass after a disability first occurs before a Total or Partial Disability claim becomes payable.

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