



Southern Cross  
Life Insurance

# Life insurance

Policy wording



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## Life insurance policy wording contents

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# 1. Introducing your Policy

This Life Insurance Policy pays you a lump sum on the death of the Life Insured or diagnosis of the Life Insured's Terminal Illness.

This Policy is underwritten by Cigna Life Insurance New Zealand Limited (Cigna). Only Cigna can approve and accept your Policy and Cigna will be responsible for all claims and other matters relating to this Policy.

As the Policy Owner, it is your responsibility to arrange payment of the premiums from the Premium Start Date and as they become due.

Southern Cross Insurance Services Limited (Southern Cross) and its related entities do not guarantee the obligations of the insurer/underwriter, Cigna, and will not be liable if Cigna refuses to pay a claim.

Southern Cross may receive a commission while your Policy remains in force.

All correspondence will be sent according to the most recent contact details that we hold for you. If you change any of your details, it is your responsibility to notify us so we can continue to send you important information about your Policy.

Please read all your policy documents including your Policy Summary, this document and the Life Insured's application form carefully. These documents describe the terms and conditions that apply to your Policy and form the basis of the contract between you and Cigna. The meaning of important words and terms are given in Section 7. If you have any questions, please contact us.

We offer a 30 day Free Look Period so you have time to make sure you are happy with your insurance. If for any reason you want to cancel this Policy, please call our Customer Services team. Any premiums that have been paid will be refunded and we will confirm in writing that the Policy has been cancelled. If you cancel outside this 30 day period, there will be no refund of premiums paid.

All payments made in respect of this Policy are in New Zealand dollars.

This Policy does not have any surrender or cash value.

## Your responsibility to be open and honest

We rely on the information you give us to provide this cover for you and pay any claims.

If you haven't given us all the information we ask for, or you don't provide any other Material Information we may decline your claim, cancel your Policy from the Cover Start Date, and/or retain all or some of your premiums paid.

We may decline your claim and/or cancel your Policy if you provide false or incorrect information in support of a claim.

# 2. What you're covered for

## Benefit Amount

Cigna will pay you the benefits shown on the Policy Summary and as described here, providing the terms and conditions are met and the premiums are up to date.

## Life Benefit

We will pay the current Life Cover Amount to you if the Life Insured dies.

## Advanced Funeral Benefit

If the Life Insured dies, we will pay an Advanced Funeral Benefit on receipt of evidence of the Life Insured's death. The amount payable will be the lesser of:

- \$15,000 or
- 5% of the current Life Cover Amount.

Payment of this benefit will reduce the current Life Cover Amount by the amount paid.

If the Life Benefit claim is declined after this Advanced Funeral Benefit is paid, we will have the right to recover any amount paid.

We will only make one payment of the Advanced Funeral Benefit for the Life Insured under all life insurance policies issued by Cigna in respect of the Life Insured.

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## Terminal Illness Benefit

If the Life Insured is diagnosed with a Terminal Illness, we will pay you the current Life Cover Amount, up to a maximum of \$500,000.

If we pay a Terminal Illness Benefit equal to the current Life Cover Amount, the Policy will end and no further premiums will be payable.

If the Terminal Illness Benefit paid is less than the current Life Cover Amount, the Life Cover Amount will be reduced by the amount paid. The remaining Life Cover Amount will be payable on the death of the Life Insured. Premiums for the remaining Life Cover Amount will be adjusted to reflect the reduced cover.

## Special Events Increase Benefit

The Special Events Increase Benefit guarantees that you can apply to increase the Life Cover Amount for specified events, without having to provide further health information.

You can apply to increase the Life Cover Amount under the Special Events Increase Benefit if the Life Insured:

- gets married or enters a civil union
- takes out a loan necessary to purchase a property, including bare land, that will be used for the purposes of the Life Insured's primary residence. In this event the maximum increase (as specified below) will be further limited to the amount of the loan
- has a child (by birth or legal adoption)
- has a Dependant Child who starts their first course of full-time tertiary study.

An application to increase the Life Cover Amount must be made within 90 days of the event. We'll need you to provide evidence, satisfactory to us, to confirm the details of the event and the date it occurred. You can apply to increase the Life Cover Amount each time one of the events listed happens, subject to the following:

- each increase made under this benefit is limited to a maximum of 25% of the original Life Cover Amount and
- the total of all increases made under this benefit during the term of this Policy may not exceed \$200,000 and

- taking out these increases may not increase the Life Cover Amount by more than 50% of the original Life Cover Amount and
- there must be a period of at least 12 months between successful applications for an increase of the Life Cover Amount, even if more than one event occurs during that period.

Each time a Special Events Increase Benefit is accepted, the premium will increase to reflect the increased Life Cover Amount and will be based on the Life Insured's current age. The increase applies from the date when we confirm the new Life Cover Amount to you, subject to payment of the additional premium. An increase will be invalid if it is accepted and we later become aware that you or the Life Insured knew at the time of the application for the increase that there was a potential claim under the Policy.

You can apply for a Special Events Increase providing:

- the Life Insured is aged under 55 and is residing in New Zealand or Australia on the date of the event and
- at the time you apply you have not lodged a claim under the Policy and
- neither you or the Life Insured are aware, or should be aware, of a potential claim under the Policy and
- the Policy was not issued with an increased premium because of the Life Insured's health, medical history, occupation or leisure activities.

If the Policy was issued with an exclusion, the same exclusion will apply to any increased Life Cover Amount applied for under the Special Events Increase Benefit.

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## 3. What you're not covered for

We will not pay any benefit under this Policy if:

- the claim is due, directly or indirectly, to War or any act of War, invasion, Terrorism or any acts of Terrorism, act of foreign enemy, hostilities, strike, riot and/or civil commotion, civil war, rebellion, revolution, insurrection, military or usurped power
- you or the Life Insured failed to provide us with any Material Information or did not completely and truthfully answer the questions asked when the Policy was issued, increased or reinstated. We may cancel the Policy from the Cover Start Date and retain all or some of your premiums
- the Life Insured's death or Terminal Illness is caused or contributed to, directly or indirectly, by suicide, attempted suicide or intentional self-injury, whether sane or insane, within 13 months of the Cover Start Date or, from the date your Policy was reinstated after being cancelled.

If we do not pay a Life Benefit claim because of any of the above exclusions, then we will not pay any claim relating to an increase made under the Special Events Increase Benefit.

If the Life Cover Amount is increased under the Special Events Increase Benefit, and the Life Insured dies or becomes terminally ill within six months of the Cover Start Date of the increase, we will only pay the increased Life Cover Amount if the Life Insured's death or Terminal Illness is due to an Accidental Injury.

If the Life Cover Amount is increased within 13 months prior to the Life Insured's death from suicide, attempted suicide or intentional self-injury, whether sane or insane, we will only pay the Life Cover Amount that applied immediately before the increase.

## 4. Changing your cover

It's important to review your insurance regularly to make sure you have the right amount of cover you need.

You can apply to change your Life Cover Amount and how you pay your premiums at any time, simply contact us to discuss your options.

Your original Life Cover Amount will continue with your original terms and conditions, unless Material Information was not provided or was misrepresented on the earlier application(s).

The terms and conditions for any additional cover may differ from those for your existing cover so we'll make sure you know about any changes.

### Changing the Policy Owner

You can transfer Policy ownership at any time, by contacting us. We will need to register the transfer for it to be legally recognised.

### Cancelling your Policy

You can cancel your Policy at any time. There is no cash value for this Policy if you cancel it, unless you cancel during our 30 day Free Look Period. If you cancel during the Free Look Period we'll refund any premiums paid, otherwise no refund will be made.

### Reinstating your cover

You can apply to reinstate your cover if your Policy has been cancelled because of unpaid premiums. You need to pay any unpaid premiums and we may need you to provide us with information about the Life Insured's health and lifestyle, and reinstatement will be at Cigna's discretion. The terms applying to the reinstated cover may be different to that applied before it was cancelled. We'll give you a new Policy Summary when your Policy is reinstated

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## 5. What you can expect from us

### Guaranteed renewal of your cover

We'll automatically renew your Policy each year on the Anniversary Date and cover will continue if you do not cancel the Policy and premiums continue to be paid, except where the Life Benefit has been paid out.

### Changes to your premium

Your initial premium payable is shown on your Policy Summary and is based on your Life Cover Amount.

Your premiums will be adjusted on each Anniversary Date as you get older to reflect your current age and Life Cover Amount. We will advise you in writing before your Anniversary Date of any changes to your premium payable for the coming year.

### Premium changes to all policies

We may review and change the premium rates for all Southern Cross Life Insurance policies. We will write to you at least 30 days before any changes happen.

### Inflation adjustments

To help keep your cover up to date, we will offer you a yearly increase in the current Life Cover Amount up to 10%, on each Anniversary Date. The percentage increase offered will take into account the most recent 12 month increase in the Consumer Price Index (CPI).

The first indexation offer will be made on the first Anniversary Date and yearly from then on.

You don't have to accept an increase but no further increases will be offered once any of the following happens:

- you have declined three successive offers
- an offer to increase will lead to the total Life Cover Amount under the Policy exceeding \$1,000,000
- we have been notified of a possible Life or Terminal Illness claim under this Policy
- the Anniversary Date after the Life Insured's 65th birthday has been reached.

### When will your Policy end?

We will stop the Policy when any of the following happens:

- if the premiums are unpaid for three consecutive months, cover will end on the date the last premium was paid up to
- we pay a Terminal Illness benefit equal to the Life Cover Amount
- we pay out the full Life Cover Amount
- you ask us to cancel your Policy.

We may cancel your policy if you misrepresent or do not disclose Material Information during your application period (from when you complete your application up until the date the Policy is issued), when you alter your Life Cover Amount or reinstate your Policy.

## 6. How to make a claim

If you need to make a claim, contact us as soon as possible and we'll guide you through the process. You'll need to complete a claim form and return it to us together with any information we ask for, to allow us to assess your claim. Any medical information we need to support your claim must be:

- provided by an appropriately Qualified Medical Practitioner registered with the Medical Council of NZ (or any other country and authority approved by us).
- paid for by you.

If we need the Life Insured to have any other examinations or tests to confirm that the Life Insured is suffering a Terminal Illness these costs will be met by us.

### Who will the claim be paid to?

The Life Benefit will be paid to the Policy Owner or the Policy Owner's estate. The Terminal Illness Benefit will be paid to the Policy Owner. The Advanced Funeral Benefit will be paid at Cigna's discretion to the funeral director, or the Policy Owner, or the Policy Owner's estate.



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## 7. Some terms defined

The following words and terms appear in the Policy Summary and/or in the Policy Wording:

**Accidental Injury** means bodily injury, occurring after the Cover Start Date, which occurs solely, directly and independently of any other cause by violent, unexpected, external and visible means.

**Anniversary Date** means the date 12 months after the Premium Start Date and the same date each year after that.

**Cigna (we, us)** means Cigna Life Insurance New Zealand Limited, the insurer and the underwriter of this Policy.

**Cover Start Date** means:

- the date your cover began or
- the date your cover was reinstated.

If you increase your Life Cover Amount the Cover Start Date for the increase is the day cover began for the increased Life Cover Amount.

**Dependant Child** means a child aged up to 20, belonging to you, your spouse or partner (including legally adopted or fostered children) who is financially dependant on you.

**Free Look Period** means a 30 day period starting on the day that we send your Policy to you, where you have time to make sure you are happy with your insurance. If for any reason you want to cancel your Policy within this period, any premiums that have been paid will be refunded and we will confirm in writing that your Policy has been cancelled.

**Life Cover Amount** means the amount this Policy pays out on the death of the Life Insured.

**Life Insured** means the person who is insured under this Policy.

**Material Information** means all the relevant information that we need in order to decide the terms relating to your Policy. It includes, but is not limited to, information about the Life Insured's health, medical history, occupation and leisure activities.

**Policy** means the terms and conditions applying to this insurance as described in the Policy Document, Policy Summary and your application form.

**Policy Owner** means the person initially named as the Policy Owner, or the assignee(s) named on the most recent Change of Policy Ownership form if the Policy has been assigned. The Policy Owner is also referred to as "you" or "your" in this document.

**Policy Summary** means the summary sent to you with this document on which details specific to your Policy are listed, or any replacement summary.

**Premium Start Date** means the date that the first premium is due as shown on the letter accompanying the Policy Summary.

**Qualified Medical Practitioner** means a doctor registered in New Zealand or Australia who is appropriately qualified to assess your medical condition or cause of death. The doctor cannot be you, your business partner or related to you.

If you are in another country, the doctor must have qualifications and registration satisfactory to us and equivalent to New Zealand or Australian standards.

**Terminal Illness** means an illness that we believe will result in the death of the Life Insured within 12 months of the Policy Owner applying for a Terminal Illness Benefit. The illness must start after the Cover Start Date or the reinstatement date if we reinstate this Policy, and be diagnosed while this Policy is active. This illness must be supported by written diagnosis and prognosis by a Qualified Medical Practitioner.

**Terrorism** means the use or threatened use of force or violence against human life or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group. This applies whether or not acting on behalf of or in any connection with any organisation, government, power, authority or military force, when the intent is to intimidate, coerce or harm a government, civilian population or any segment thereof, or to disrupt any segment of the economy.

**War** means any war, whether declared or not, or any warlike activities including use of military force by any sovereign nation to achieve economic, geographic, nationalistic, political, racial or religious ends.

"you" or "your" means the **Policy Owner**.

## 8. If you need to make a complaint

If you have a complaint we are happy to discuss it. Please contact us in the first instance; our Customer Service team will do their best to resolve your issue straight away, refer Section 11 for contact details. However, if they can't sort out the issue, our Customer Resolution Manager will personally take on your case.

We are a member of the Insurance and Financial Services Ombudsman (IFSO) scheme, a free, independent service which can help settle any dispute you are unable to resolve with us.

Any dispute or action relating to this Policy will be determined in accordance with New Zealand law.

### IFSO contact details

Post: PO Box 10 845, Wellington 6143

Phone: 0800 888 202

Email: [info@ifso.nz](mailto:info@ifso.nz)

Website: [www.ifso.nz](http://www.ifso.nz)

## 9. About Cigna

Cigna New Zealand is a leading specialist provider of insurance products and services including life insurance, funeral insurance, income protection insurance, accidental death insurance, serious illness insurance and travel insurance.

We've been operating in New Zealand for nearly a century, and protect over 500,000 New Zealanders with our insurance policies.

We are part of Cigna Corporation, a Fortune 500 company and one of the world's largest publicly-owned companies.

A copy of our latest financial statements is available on request.

### Statutory Fund

Like all New Zealand life insurers, we were required under the Insurance (Prudential Supervision) Act 2010 to establish a statutory fund. The statutory fund relevant to your policy is Cigna's Statutory Fund Number One.

## 10. Cigna's Financial Strength

We have an A (Excellent) financial strength rating which was given by A.M. Best Company Inc.

The rating scale is:

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

For more rating information visit [www.ambest.com/ratings/guide.pdf](http://www.ambest.com/ratings/guide.pdf)



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## 11. Contact us

**Phone** Monday to Friday, 8.30am to 5pm  
**0800 000 200** or **+64 9 919 2134** if calling from overseas

**E-mail** **southerncrosslife@cigna.com**  
for general information about your Policy such as premiums and address changes  
**complaintsandquality.nz@cigna.com**  
to register a complaint  
**claims.nz@cigna.com**  
to request a claim form or ask any questions related to a claim

**Letter** Cigna Life Insurance  
PO Box 24031  
Manners Street  
Wellington 6142

**Fax** **+64 4 470 9152**