

CARRFIELDS GROUP

LIFE & INCOME PROTECTION INSURANCE

CARRFIELDS
AYNSLEY AND ASSOCIATES LTD
AIA
JUNE 2020





Carrfields Staff Group Insurance Plan

Introduction

This Carrfields Group Employee Benefits Plan has been designed to provide a valuable combination of insurance benefits to protect you and the continued welfare of your dependents while covered under this plan.

The insurance benefits are presently insured with AIA New Zealand Limited under group insurance policies which are owned by Carrfields Limited. AIA is the worlds largest life insurance company by capitalisation. Our firm Aynsley and Associates Limited has been advising New Zealand families and business on life insurance matters since 1962. Copies of the polices are available on request from the Carrfields Human Resource team or by contacting us at Aynsley and Associates Limited.

A benefits schedule of your cover which illustrates current amounts of your benefits are issued to you when you first join the initiative and each year after the annual policy renewal. The following benefits are included in the initiative (some conditions apply):

| Benefit Type | Details |
|--|---|
| Life Insurance | Up to three times your salary, payable upon death or the suffering of a terminal illness. |
| Income Protection | Up to 75% of your salary paid after 13 weeks of total disability, paid up to two years. |
| Dismemberment and Major Burns Benefit | Up to \$50,000 for certain events. |

Certain maximum benefit limits apply. Please see your individual insurance information for confirmation of the insurance levels applicable to you.

Please note the purpose of this document is to provide a brief explanation of the insurance benefits. This document is not a substitute for any relevant policy wordings. In the event of a dispute, the final policy wordings will prevail.

Our Details

For any questions, queries, or clarification on further information, do not hesitate to contact us at Aynsley and Associates Limited:

- ♠ Email: hello@aynsley.co.nz
- ♠ Telephone: 03 374 9955



**General Information** (See policy document for more details)

| | |
|---|---|
| Who pays the premium? | The Life insurance and Income Protection premiums are paid by Carrfields. If you have elected and been approved for any additional voluntary cover, you are responsible for payment of the premium cost. |
| Life Insurance Benefit | A lump sum benefit on death or terminal illness diagnosis. Up to 3 times your salary. |
| Dismemberment and Major Burns Benefit | Lump sum benefits up to \$50,000 payable for major burns or dismemberment of limbs etc. Specific conditions apply, please see policy document to individual limits. |
| Income Protection Benefit | A monthly income benefit that replaces some of your income if you are diagnosed as being totally disabled because of an illness or injury after an initial waiting period. Up to 75% of your salary. |
| Can I keep my cover if I leave Carrfields? | Yes, cover can be continued by exiting employees. This is known as a continuation option. There is a short window of time to apply for your continuation option and Aynsley and Associates will guide you through this process. There are some circumstances when cover cannot continue. |
| How do I join? | All permanent employees or fixed term contractors who contract for more the 12 months are automatically covered. You must be working at least 15 hours per week. The cover is automatically placed up to certain limits, if your cover goes over these limits, you will need to complete some paperwork and/or a medical - AIA will determine your acceptability. Most staff member's cover is issued without any paperwork. Aynsley and Associates will guide you through the paperwork if there is any. |
| How do I know how much cover I have? | Upon joining the plan, Aynsley and Associates will provide you with a certificate illustrating the level of cover you have. Each year after the annual renewal date you will receive an updated certificate. This is around November each year. |
| When will the cover end? | Life cover ends when you reach age 70, and income protection ends when you reach age 65. |

| | |
|--|--|
| Is there a maximum entry age? | Age 64 for the income protection policy and age 69 for the life policy. |
| Can I claim under more than one policy? | If you wanted to claim under another income protection policy, you may not be able to claim the full benefits under either the Carrfields cover or the policy you hold personally. You can claim under more than one life insurance policy without effecting the claim benefits on other policies. |
| How do I claim? | In the first instance if you think you are entitled to make a claim please discuss your circumstance with your manager and HR. If you wish to have a more technical conversation about claiming, please contact Aynsley and Associates. |
| Who will help me with a claim? | HR and Aynsley and Associates will assist you with your claim. |
| Who will the claim benefits be paid to? | Upon death, your Life Insurance claim will be paid to your estate or if you are terminally ill the claim will be paid to you. Income Protection benefits will be paid to you. |
| Is there tax on the claim proceeds? | There is no tax on the life insurance claim benefits. The income protection benefit claim benefits are taxable. |

Voluntary increases in cover options are available

| Benefit Type | Details |
|--------------------------|--|
| Life Insurance | Life cover can be increased in \$100,000 multiples, up to \$500,000. |
| Income Protection | Increase your potential income protection claim benefit from a 2-year claim to a 5-year claim. |

Voluntary increases will require the completion of an application form to AIA, and they will determine your acceptability. This is generally a short health questionnaire. There are some terms and conditions connected to the voluntary cover increases. Feel free to discuss these with Aynsley and Associates.

Please note that the voluntary increases in cover are paid by the employee at their own cost.

Income Protection: Additional Information

Income Protection insurance provides a monthly payment that will be a replacement of some of your income if you are totally disabled and unable to work because of injury or sickness. The benefit that may be payable in the event of a claim is up to 75% of your salary. Certain limits apply. See your individual insurance information for confirmation of your individual benefit level.

Definition of Total Disability

You would be Totally Disabled by the insurer if:

- ♠ You were unable to perform your usual occupation for more than 10 hours per week;
- ♠ You were not working for more than 10 hours per week in any gainful occupation; and
- ♠ Your monthly income is less than 75% of your pre-disability income; and
- ♠ You are following the advice of a registered doctor in relation to that sickness or injury.



Benefit of Income Protection Insurance

If you are diagnosed as being totally disabled in accordance with the terms of the insurance policy, the benefit shown on your Member Insurance Information will be paid. This benefit is payable after an initial “waiting period” and is payable for a defined “benefit period”. It is paid monthly in arrears, usually by means of a direct credit into your bank account from the insurer.

| Common Questions | |
|--------------------------------------|---|
| How long will the payments continue? | The maximum benefit period is 2 years. If you return to full-time work before you reach the end of the maximum benefit period, payments will cease immediately. |

| | |
|---|--|
| <p>If I am disabled, when will the payments commence?</p> | <p>There is an initial “stand down “or “waiting period” of 90 days from the date you become totally disabled (as certified by a medical practitioner), before an insurance claim can commence payment. If you are off work and suffering from a disability that is expected to last for at least 90 days, then a claim should be made by notifying Aynsley and Associates Ltd.</p> <p>Once your claim is accepted by the insurer, your monthly benefit payments from the end of the waiting period and will be backdated if necessary. The payments are made monthly in arrears.</p> |
| <p>Can I return to part-time work and receive a partial benefit?</p> | <p>Yes - if you have been totally disabled for at least 14 days and then return to part-time work, a Partial Disablement Benefit may be payable. The amount payable will take into account any earnings from your part-time work.</p> |
| <p>What if there is a recurrence of Disability?</p> | <p>If you suffer the recurrence of Total Disability from the same or related causes within 6 months of the disability benefit ceasing, you will not normally be required to wait for a further waiting period of 90 days. If the cause of the second Total Disability is unrelated to the first, a further waiting period of 90 days will be required.</p> |
| <p>Is the benefit taxable?</p> | <p>Any income protection benefit payments will normally be treated as taxable income. We recommend that claimants seek professional tax advice if you have any queries relating to the taxation of any benefit that is payable under Income Protection Insurance as we are not tax advisors.</p> |
| <p>If I am receiving an ACC benefit, can I also claim under Income Protection?</p> | <p>Any ACC benefit will be offset against your benefit under the Income Protection policy.</p> |



Further Information

Personal advice

A member of the Aynsley and Associates team is available to provide assistance on request including a formal assessment of your personal life and disability insurance needs.

Termination or amendment of the plan

Carrfields intends to continue this plan indefinitely but must reserve the right to terminate or amend this group insurance plan.

