

# Personal Accident and Illness

## Policy

Lumley, a business division of IAG New Zealand Limited, Lumley Centre, 88 Shortland Street, PO Box 2426, Auckland 1140, New Zealand  
Tel 09 308 1100 [www.lumley.co.nz](http://www.lumley.co.nz)

### Introduction

Whereas the Insured named in the Schedule has made to the Insurer a proposal, declaration or other written submission, then such proposal, declaration or submission will be the basis of the contract. In consideration of the Insured having paid the premium the Insurer will provide the insurance in this Policy in respect of Events happening to the Insured Person, or manifesting itself, during the Period of Insurance.

The occupation of the Insured Person at the time of the Event must be as stated in the Schedule.

### Schedule of Benefits

#### Event (applicable 1-26)

Bodily injury caused solely and directly by violent, accidental, external and visible means which injury shall independently of any other cause be the sole and direct cause of the Results (1) to (26) occurring within twelve calendar months of the Event

Results	Benefits
(1) Death	The amount shown in the Schedule
(2) The total and permanent loss of all sight in both eyes	100%
(3) The total and permanent loss of the use of both hands	100%
(4) The total and permanent loss of the use of both feet	100%
(5) The total and permanent loss of the use of one hand and one foot	100%
(6) Total and incurable disablement for all further work	100%
(7) The total and incurable paralysis of all the limbs	100%
(8) The total and permanent loss of the use of one arm or of the greater part of one arm	80%
(9) The total and permanent loss of the use of one leg	75%
(10) The total and permanent loss of all sight in one eye together with the serious diminution of the sight in the other eye	75%
(11) The total and permanent loss of the use of one hand or five fingers of one hand or the lower part of one arm	70%
(12) The total and permanent loss of the use of one foot or the lower part of one leg	60%
(13) The total and permanent loss of hearing	50%
(14) Third degree burns to more than 30% of the body	50%
(15) The total and permanent loss of all sight in one eye	50%
(16) The total and permanent loss of the lens in one eye	30%
(17) The total and permanent loss of the use of one thumb	30%
(18) The total and permanent loss of the use of one forefinger	20%
(19) The total and permanent loss of the use of one joint of the thumb	15%
(20) The total and permanent loss of the use of two joints of one forefinger	12.5%
(21) The total and permanent loss of the use of one little finger	12%
(22) The total and permanent loss of the use of one big toe	10%
(23) The total and permanent deafness of one ear	10%
(24) The total and permanent loss of any other body parts not detailed above	10%
(25) Total disablement of the Insured Person from the engaging in, or attending to usual business or occupation for a Period not exceeding the number of weeks shown in the Schedule from the happening of the Event but no Benefit shall be payable for the first seven days of disablement or the Deferment Period stated in the Schedule.	At the rate per week shown in the Schedule
(26) Partial disablement of the Insured Person from engaging in, or attending to usual business or occupation for a period not exceeding the number of weeks shown in the Schedule from the happening of the Event but no Benefit shall be payable for the first seven days of disablement or the Deferment Period stated in the Schedule.	At 30% of the amount per week shown in the Schedule for Benefit 25

**Event (applicable 27 only)**

Any illness which manifests itself during the Period of Insurance and shall be the cause of Result (27)

Results	Benefits
(27) Total disablement of the Insured Person from engaging in, or attending to usual business or occupation for a period not exceeding the number of weeks shown in the Schedule from the happening of the Event but no Benefit shall be payable for the first seven days of disablement or the Deferment Period stated in the Schedule.	At the rate per week shown in the Schedule
(28) Medical, surgical and hospital expenses necessarily incurred by the Insured Person as a consequence of a claim for Results (25), (26) and (27) (but only to the extent that they are not recoverable from any other source) and limited in respect of all claims commencing in any one Period of Insurance to a maximum of \$200.	

**Note:** Benefits under Results (2) – (24) are payable as a percentage of the death Benefit shown in the Schedule. If there is no death Benefit shown in the Schedule, Benefits (1) – (24) do not apply to this Policy.

The Benefits apply only to the Insured Person.

**Benefits are not payable for the following:**

- (a) more than one of Results (25), (26) and (27) for the same period of time;
- (b) Result (27) if the Event becomes manifest within fourteen days of the commencement of this Policy;
- (c) the first 4 weeks of any disablement resulting from mental depression, mental anxiety or other mental disorders which do not have some physical (i.e. somatic) basis.

If the Insured Person suffers more than one of the Results (2) – (24) listed in the schedule of benefits the total sum payable will be the sum of the applicable Results but in no case will the sum be greater than the total value of the total limb or of greater value than that payable under Result (1).

The degree of permanent disability for Results (2) – (24) will be determined within twelve calendar months of the happening of the Event, if possible by agreement between the Insurer and the Insured, otherwise by medical examination to be conducted by two suitably qualified medical practitioners, one to be chosen by the Insured and the other by the Insurer. If these medical practitioners are not able to agree they will select a third practitioner and the majority decision will be binding.

If the Insured Person becomes entitled to a Benefit under any of the Results (1) to (7) there will be no further liability in respect of any subsequent Event. Any Benefit payable for Results (25) or (26) is in addition to Benefits payable for Results (2) – (24).

In the Event of the death of the Insured Person the Insurer shall be entitled to have a post mortem examination at their expense.

This insurance may be renewed from year to year by agreement between the Insurer and the Insured.

**Damage to teeth**

If the Insured Person becomes entitled to a Benefit under Results (2) to (26), where the Insured Person suffers loss or damage to teeth, the Insurer will pay up to \$1,000 towards the cost of repairing the teeth.

However, this Benefit will only be paid if the costs cannot be claimed from any other person or organisation.

**Disappearance**

If the Insured Person disappears following the sinking, disappearance or wrecking of a conveyance in which the Insured Person was an occupant and their body has not been found within 12 months after the date of the disappearance then for the purposes of this Policy, they will be deemed to have suffered death resulting from injury at the time of such disappearance. Provided however that if subsequently the Insured Person is found to be living the Benefit is to be refunded by the Insured.

**Earnings related clause – applicable to weekly Benefits**

In respect of all disablement lasting more than thirteen weeks the following conditions will apply to the Benefit payable after the thirteenth week of disablement.

- 1 In addition to evidence of disablement the Insured Person must also supply written evidence or other proof of actual loss of earnings as a Result of the disablement.
- 2 The Insurer will not be liable to pay more than the actual loss of earnings suffered by the Insured Person up to the maximum of the amount shown in the Schedule.
- 3 If, after the thirteenth week of disablement the Insured Person is entitled to receive earnings related income under any other policy of insurance or Accident Compensation Legislation, then the amount to be paid under this Policy will be:
  - (a) the actual loss of earnings;
  - less:
  - (b) any payment from Accident Compensation Legislation or any other policy of insurance
 up to a maximum of the Benefit shown in the Schedule.

**Inflation protection**

If the Insured Person becomes entitled to a Benefit under Result (25), (26) or (27), continuously for 12 months and is entitled to further payments then any further Benefit after the first 12 months, for the next 12 months, will be increased by 5 percent per annum.

**Recurrence**

If there is a recurrence of Results (25), (26) or (27) within six months of the end of the previous period of disablement arising from the same injury or illness, it will be deemed to be an extension of the previous claim.

### Rehabilitation expenses

At the Insurers option, where the Insured Person is entitled to a Benefit the Insurer may pay reasonable expenses incurred by the Insured Person for tuition advice and/or treatment from a licensed vocational school or occupational rehabilitation institute provided such tuition, advice and/or treatment is

- (a) necessary to assist with the Insured Person's rehabilitation following a bodily injury or an illness for which the Benefit is payable under Results (25) or (26) or (27) of this Policy and
- (b) undertaken with the prior agreement of both the Insurer and the Insured Person's attending physician.

The maximum payment under this cover per week is \$100 or the actual expenses incurred whichever is the lesser and is in addition to any weekly Benefit payable.

The maximum period for which this cover is payable is 26 weeks.

### Territorial limits

The Policy covers the Insured Person whilst:

- (a) in New Zealand, the Commonwealth of Australia and the South Pacific Islands and between;
- (b) in any other territory if the departure from New Zealand is for a period not exceeding 13 calendar weeks in any one Period of Insurance or as agreed to in writing by the Insurer.

## Exclusions What is not covered by this Policy

- 1 This Policy does not insure death, injury, illness, loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from, or in connection with, any of the following regardless of any other contributing cause or Event:
  - (a) war, invasion, act of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
  - (b) any acts of terrorism.  
For the purpose of this exclusion, terrorism means an act including but not limited to the use of threat of force or violence by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public or any section of the public in fear.  
This Policy also excludes death, injury, illness, loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from, or on connection with, any action taken in controlling, preventing, suppressing or in any way relating to, the above exclusion.
  - (c) any nuclear reaction, nuclear radiation or radioactive contamination;
  - (d) suicide, attempted suicide, intentional self-injury, or deliberate exposure to exceptional danger (except in an attempt to save human life);
  - (e) the Insured Person being under the influence of any intoxicating liquor or drugs unless such drugs have been prescribed and used in accordance with the direction of a suitable legally qualified medical practitioner;
  - (f) for any Event happening whilst the Insured Person is suffering severe mental illness;
  - (g) the Insured Person suffering or contracting Acquired Immune Deficiency Syndrome (A.I.D.S), Human Immunodeficiency Virus (H.I.V.) or any sexually transmitted disease;
  - (h) the Insured Person suffering from any illness or condition known to them, whether or not diagnosed at the time, existing at the inception of this Policy. However, if the illness or condition is detailed on the proposal and accepted by the Insurer then this exclusion does not apply.
- 2 No Benefit is payable under this Policy in respect of any Event resulting from the Insured Person participating in:
  - (a) professional sport of any kind;
  - (b) racing on horseback or wheels, rodeo activities or steer riding;
  - (c) boxing or wrestling in any public exhibition;
  - (d) hazardous winter sport, such as skiing, snowboarding or tobogganing, where the participation is competitive or involves any racing or time trials;
  - (e) rugby, football, rugby league or underwater activities involving the use of compressed air;
  - (f) any naval, military or air force service operation;
  - (g) mountaineering, speleology, hang gliding and parachuting;
  - (h) any criminal activity;
  - (i) flying or other aerial activities, other than as a passenger in an aircraft that is authorised to fly under a law that relates to the safety of aircraft ('passenger' does not include any member of the aircrew or a technician working in or upon an aircraft);
  - (j) deer, goat or pig hunting or hunting on horseback.

## Conditions

**All amounts stated in this policy are in New Zealand dollars.**

### **Cancellation**

This Policy may be cancelled by the Insured at any time by notice in writing delivered to the Insurer in which case the Insurer shall retain or be entitled to recover, as the case may be, the customary short term premium or minimum premium for the time that the Policy has been in force.

The Insurer may at any time cancel this Policy by sending written notice to the last known address of the Insured. Such cancellation shall be effective from 4.00 pm on the 30th day after despatch of the notice. After such cancellation the Insurer will refund a pro rata portion of the premium for the unexpired Period of Insurance.

### **Insurer's rights**

The Insurer is entitled to immediately, and at their sole discretion, avoid this Policy from inception, end this Policy or decline any claim if the Insured or Insured Person:

- (a) breaches the duty of utmost good faith owed to the Insurer;
- (b) breaches the duty of disclosure owed to the Insurer;
- (c) makes a material misrepresentation to the Insurer before the Policy commences;
- (d) fails to comply with any provision of this Policy;
- (e) make, or anyone acting on their behalf makes, a dishonest claim under this Policy or a dishonest statement in support of a claim under this Policy.

If the Insurer ends this Policy due to any of these circumstances then the Insured is not entitled to any refund of premium.

The Insurer will notify the Insured in writing in the Event of any of the above actions.

### **Acts of parliament**

Where this Policy refers to an Act of Parliament this includes any Regulations made under it. It also includes any Acts or Regulations enacted in substitution.

### **Change of occupation**

The Insured must notify the Insurer in writing of any change in the Insured Person's business, occupation, habits or pursuits and pay any additional premium that may be required by the Insurer.

### **Claim payments**

Any valid claim on this Policy will be paid to the Insured or, in the Event of their death, to their personal representative. If the Insured Person, whilst receiving a Benefit under Result (25), (26) or (27), departs from New Zealand for a period exceeding 10 weeks, the Benefit under the claim shall cease 10 weeks after the departure date. However in no case will total payments exceed the period shown in the Schedule.

### **Employment**

This Policy automatically ceases when the Insured Person is no longer engaged in a full-time occupation or employment for wages or profit unless the unemployment arose from an Event for which a Benefit is payable under this Policy.

### **Governing law**

This Policy is issued in New Zealand. The Laws of New Zealand apply to any disputes arising in connection with this Policy. Any proceedings relating to this Policy must be brought and heard in New Zealand.

### **Medical care**

As soon as possible after the happening of an accident or illness, to which this Policy applies, the Insured Person must place themselves under the care and follow the medical advice of a qualified medical practitioner.

### **Medical examinations**

After the Insured has notified the Insurer of any bodily injury or illness that could give rise to a claim on this Policy the Insurer may appoint any medical adviser to examine the Insured Person, at the Insurer's expense, for the purpose of determining their liability. The Insured Person, upon reasonable notice, must submit to any such examination as often as may be necessary for that purpose. If the Insured Person refuses, the Insurer will not be liable to pay the claim.

### **Notice of injury or illness**

The Insured must notify the Insurer immediately of any bodily injury or illness that could give rise to a claim on this Policy. If the Insured Person should die as a result of any bodily injury to which this Insurance could apply, their personal representative must notify the Insurer of this as soon as possible and arrange to have a post mortem examination of the body, if required by the Insurer.

### **Proposal and material facts**

This insurance is based on the proposal, declaration and any other written submission provided by the Insured and the Insured Person, and these are deemed to be incorporated in the Policy. If the Insured or the Insured Person have made any incorrect statement or have concealed any material fact in making that proposal, declaration or written submission, the Policy may be void from inception.

### **Renewing the Policy**

Before each renewal of the Insurance the Insured must give written notice to the Insurer of any illness or physical defect or infirmity with which the Insured Person has become affected or of which he/she has become aware.

## Definitions

The following words have the following meanings wherever they appear in the Policy unless the context requires otherwise.

### **Benefits**

Benefits means those amounts listed in the schedule of benefits.

### **Benefit Period**

Benefit Period means the Period shown in the Schedule for which the weekly Benefits are payable.

### **Deferment Period**

Deferment Period means the period commencing with the first day of disablement for which medical treatment was sought in respect of such injury or illness and for which no Benefit is payable.

### **Event**

Event means the events shown in the schedule of benefits.

### **Insured**

Insured means the Insured named in the Schedule. Any Benefit(s) will be paid to the Insured.

### **Insured Person**

Insured Person means the person named in the Schedule to be Insured.

### **Insurer**

Insurer means Lumley, a business division of IAG New Zealand Limited.

### **Period of Insurance**

Period of Insurance means the period specified in the Schedule or any subsequent period for which the Insured shall have paid and the Insurer agreed to accept a renewal premium.

### **Policy**

Policy means the declaration and any other information provided by the Insured and the Insured Person before issue of this policy, this document and its Schedule and any endorsements and any other agreed modifications to the terms of this policy.

### **Result(s)**

Result(s) means those results shown in the schedule of benefits.

### **Schedule**

Schedule means the most recent schedule for this Policy issued by the Insurer and includes all endorsements, renewal notices and any other documents recording changes in the Policy.