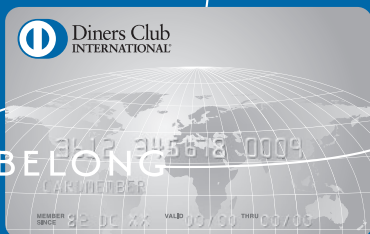




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CREDIT CARD REPAYMENT INSURANCE TERMS AND CONDITIONS

-36.8652



POLICY WORDING

Diners Club® Credit Card Repayment Insurance Terms and Conditions

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Diners Club Contact Details:

0800 346 377 (within New Zealand) or +64 9 359 7796 (from overseas)

W: www.dinersclub.co.nz **E:** info@dinersclub.co.nz

1.0 Policy Features

- Guaranteed Acceptance.
- Covers the outstanding amount (“Debit Balance”) on your Diners Club Credit Card Account described in the policy schedule (“Diners Club Credit Card Account”) in the event of the Cardmember’s death, disablement, redundancy or bankruptcy. The outstanding card balance will also be paid off in the event that any Additional Cardmember dies.
- Premiums are automatically charged to your Diners Club Credit Card Account.
- No debit account balance means there is no premium to pay.
- A premium of only 78 cents per \$100 (or part thereof) of the closing Debit Balance of your Diners Club Credit Card Account monthly statement.
- If you are not satisfied with your policy, you may cancel the policy by returning it to us within 30 days of the start of insurance. We will then refund any premiums which may have been paid and this policy will be treated as though it never existed.
- Please read this policy carefully to ensure it meets your requirements and then file it away in a safe place.
- Diners Club (NZ) Limited (“Diners Club”) is acting as Sovereign’s agent in selling this policy to you, and will receive a commission.
- If you have any questions regarding the policy terms and conditions, please call our toll free helpline on 0800 768 346.
- If you need to make a claim, contact Sovereign on 0800 768 346.

2.0 Part A: About this Policy

2.1 Who underwrites this policy?

This policy is underwritten by Sovereign Assurance Company Limited (“Sovereign”). Under this policy where “we”, “our” or “us” appears, this should be read as “Sovereign”.

2.2 Start of Insurance

This policy begins when we, or Diners Club receive your application.

2.3 Who is covered under the policy?

You are covered if you are named on the policy schedule provided as either the Insured Person or an Additional Cardmember.

2.4 The Benefits

Subject to the terms of this policy, we will help pay your Diners Club Credit Card Account if you:

- become temporarily disabled (see Part B), or;
- become permanently disabled (see Part C), or;

- die (see Part D), or;
- are made redundant from employment (see Part E), or;
- become bankrupt while self-employed (see Part F).

The detailed terms of each benefit and relevant exclusions are also set out below. Should any of the terms of this policy change, you will be notified in writing 30 days beforehand at your address shown in your policy schedule or a substitute address you give us.

This policy does not acquire a surrender value and cannot be transferred.

2.5 What if I'm working part-time or not working at all?

If you are working part-time (i.e. you are working in paid employment for less than 25 hours per week), or are not working, then you are covered for the Death benefit (see Part D) and for Temporary Disablement (as long as your disablement confines you to hospital or bed at home for 30 consecutive days or more on medical advice). (See Part B).

You are not covered for redundancy, bankruptcy or permanent disablement.

2.6 What does "full-time employment" mean?

"Full-time employment" means you are working in paid employment for at least 25 hours per week.

2.7 What amounts are covered?

The amounts covered by each benefit are described in each Part under the heading "How does the cover work?".

2.8 The premium

The premium is calculated on the closing Debit Balance of your Diners Club Credit Card Account monthly statement and is charged to the account on the date that the statement is produced. The premium rate is 78 cents per \$100 (or part thereof) of the closing Debit Balance. You and Diners Club will be notified in writing 30 days before any premium rate change.

Your monthly premium ensures cover for the month up to the closing date of the statement. If you have a zero or credit current balance at any monthly statement date, then you will pay no premium. The premium will be automatically added to your Diners Club Credit Card Account each month.

If you are in arrears with your Diners Club Credit Card Account repayments, Diners Club may elect to not charge the premium to your Diners Club Credit Card Account. Subject to Diners Club's election, Sovereign will suspend cover during the period of arrears. Your cover will be reinstated once all arrears have been paid, and you recommence payment of premiums.

2.9 End of Insurance

This policy will cease:

- if your Diners Club Credit Card Account is closed for any reason;
- if you notify us in writing that the policy is to be cancelled or is not to be renewed (please see below);
- if your premium is not paid (subject to the suspension of your

- cover set out in Section 2.8 above);
- if all Diners Club Credit Card Repayment Insurance policies are cancelled by us (having given 30 days written notice of cancellation);
- when you reach age 100.

2.10 Situations in which we will not pay under this policy

We will not help pay your Diners Club Credit Card Account under Parts B, C or D of this policy if your disablement or death:

- occurs within 6 months after the policy starts and is caused or contributed to by any injury or illness or degenerative condition existing or diagnosed or for which advice or treatment should have reasonably been received at or prior to, the start of this policy or the policy which this replaces;
- or is caused or contributed to by:
- suicide, attempted suicide or self-inflicted illness or injury;
 - you driving a vehicle with a blood alcohol level in excess of the legal limit;
 - you deliberately taking or using non-prescribed drugs, other than for proper therapeutic or medical purpose and in accordance with the manufacturer's directions for use or the deliberate misuse by you of prescribed drugs;
 - you not complying with the treatment prescribed by the attending treatment providers;
 - your pregnancy or childbirth, unless the disability lasts for more than 90 days after the end of the pregnancy;
 - you engaging in or being part of any conduct that is criminal;
 - any illness occurring within the first 14 days after the policy starts.

We will not help pay your Diners Club Credit Card Account under Part E of this policy if your redundancy:

- occurs within the first 30 days after this policy starts;
- was foreseeable and you knew or should have known that the redundancy of your role was a serious possibility at the start of the policy;
- results from a strike or labour dispute involving you or your employer;
- relates to seasonal, part time, contract, or relief work;
- is caused by the closing down, sale, or other transfer of a business owned or controlled by you;
- results from your voluntary resignation, dismissal, or retirement.

We will not help pay your Diners Club Credit Card Account under Part F for this policy if your bankruptcy:

- was foreseeable and you knew or should have known that there was a serious possibility of you becoming bankrupt at the start of your policy.

We will only cover and pay you for one event at any one time. For example if you are being paid for temporary disablement and are then made redundant, you will not be covered for redundancy and if you are being paid for redundancy, then you will not be covered for temporary disablement.

2.11 How to make a claim

If you wish to make a claim under this policy you or your representative should phone us on 0800 768 346 and we will then

send you or your representative a claim form to fill in and send back. You or your representative should report claims as soon as reasonably possible, but no later than 60 days after the event giving rise to the claim.

Sovereign will advise you or your representative what further information is required to process the claim once notice of the claim is received. That information depends on the benefit that you or your representative are claiming for but will include any documents or information relating to your Diners Club Credit Card Account. Any information requested by Sovereign should be provided at your or your representative's cost.

Sovereign is under no obligation to consider or pay a claim unless all the information requested is provided. Furthermore, Sovereign is under no obligation to assess or pay a claim for any period prior to receiving notification.

We may also request that you undertake further medical examinations at our expense.

2.12 Notices

When you write to Sovereign about this policy, you must send the letter to Sovereign's head office or a substitute address Sovereign gives you.

The postal address of Sovereign's head office is:

Sovereign Assurance Company Limited
Private Bag Sovereign
Victoria Street West
Auckland 1142
New Zealand

The street address of Sovereign's head office is:

Sovereign Assurance Company Limited
Sovereign House
74 Taharoto Road
Takapuna
Auckland 0622
New Zealand

Sovereign's email address is: **enquire@sovereign.co.nz**

If there are two people named in the policy schedule, then both people must sign any letter or notice to Sovereign. However, Sovereign will not be liable if we act on a letter or notice signed by only one of the people named in the schedule. Sovereign is not bound by anything contained in a letter or notice you send unless we actually receive the letter or notice at the relevant address. When Sovereign writes to you about this policy, we will send the letter or notice to the address shown on your policy schedule or a substitute address you give us.

2.13 Can I still use my Diners Club Credit Card even if I am receiving a claim payment?

Yes, you can still use your Diners Club Credit Card Account, but any amounts spent on the Diners Club Credit Card Account after the

date of the event giving rise to the claim will not be included as part of your existing claim. You will be responsible for the payment of these amounts.

2.14 Policy subject to laws of New Zealand

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

3.0 Part B: Temporary Disablement

3.1 How does temporary disablement cover work?

Subject to the terms of this policy, if you become temporarily disabled then, for each month you remain disabled we will pay 15% of your Diners Club Credit Card Account Debit Balance at the time of your disablement to your Diners Club Credit Card Account. For part months, this amount will be pro-rated for the number of days in the month that you are disabled. Your Debit Balance at the time of your disablement includes all transactions, charges and interest incurred before your disablement began. These payments will be monthly and the amount described in this paragraph will be deemed to include the relevant monthly premium for this policy.

If the monthly benefit amount calculated is lower than \$20 then the minimum amount of \$20 will be paid for that month. However there is no benefit payable if your Diners Club Credit Card Account is not in debit at the time of your disablement.

Payments will continue until the earliest of the following:

- you are no longer temporarily disabled;
- you die;
- you become permanently disabled from the same cause as your temporary disablement;
- the maximum benefit period of 20 months is reached;
- the maximum of \$60,000 has been paid for any one claim.

This may result in your Diners Club Credit Card Account having a credit balance due to our payments.

3.2 Can I claim more than once under temporary disablement?

Yes you may, although a 30 day stand down period will apply to each and every temporary disablement claim. This means that you cannot claim within the first 30 days of your disablement.

The stand down period will be waived if, in Sovereign's opinion, you become temporarily disabled again from the same or a related cause not later than three months after the original temporary disablement benefit ceased. If the stand down period is waived, we will consider the first claim to be continued.

The maximum benefit period of 20 months will be applied across all claims that have the same or a related cause.

3.3 What does temporary disablement mean?

If you are in full-time employment, temporary disablement means:

- you are entirely prevented from working in what we consider to be your usual occupation for 30 consecutive days or more.

If you work part-time or not at all, temporary disablement means:

- you are confined to a hospital or bed at home for 30 consecutive days or more on medical advice.

You will be temporarily disabled only if your inability to work or your confinement to a hospital (including a mental or rehabilitation hospital) or bed at home occurs while this policy is current and is caused by an:

Accident which is -

- bodily injury caused directly by violent, accidental, external and visible means; or

Illness which is -

- any illness which first occurs 14 days after the start of this policy.

Sovereign will not pay ongoing claims unless you provide proof of your continuing temporary disablement and you seek and follow ongoing medical advice for your condition at your expense.

4.0 Part C: Permanent Disablement

4.1 How does permanent disablement cover work?

Subject to the terms of this policy, if you are in full-time employment and you then become permanently disabled, we will pay to your Diners Club Credit Card Account as a lump sum, the total amount you owe under your Diners Club Credit Card Account for transactions, charges and interest incurred before you first became disabled, to a maximum of \$50,000. The payment will also include the relevant monthly premium for this policy.

Any amount already paid to Diners Club during any preceding period of temporary disablement (see Part B above) from the same cause as your permanent disablement will be deducted from the permanent disablement payment and no further payments will be made for temporary or permanent disablement, resulting from that cause.

4.2 What does “permanent disablement” mean?

Permanent disablement means you have had a disability while this policy is current for at least 6 months in a row which, in our opinion (after considering all relevant evidence), will prevent you from ever again engaging in all of the duties relating to what we consider to be your usual full-time employment.

A “disability” means bodily injury caused directly by violent, accidental, external and visible means; or any illness which first occurs at least 14 days after the start of this policy.

5.0 Part D: Death

5.1 How does death cover work?

Subject to the terms of this policy, if you die while this policy is current, we will pay to your Diners Club Credit Card Account as a lump sum, the total you owe under your Diners Club Credit Card Account for transactions, charges and interest incurred before death,

up to a maximum of \$50,000. This payment will also include the relevant monthly premium for this policy.

Death cover will also apply to any Additional Cardmember(s) named on the policy schedule. The death cover for an Additional Cardmember is subject to the same terms of this policy as the person insured.

Sovereign will pay the benefit as soon as we are satisfied with all the information which must be presented at the time of making a claim.

6.0 Part E: Redundancy

6.1 How does redundancy cover work?

This cover applies if you are in full-time employment and are made redundant, but does not apply to any self-employed person.

Subject to the terms of this policy, if you are made redundant then, for each month that you are not in full time employment due to redundancy we will pay 15% of your Diners Club Credit Card Account Debit Balance at the time of your redundancy to your Diners Club Credit Card Account. For part months, this amount will be pro-rated for the number of days in the month that you are not in full-time employment due to redundancy. Your Debit Balance at the time of your redundancy includes all transactions, charges and interest incurred before your redundancy began. These payments will be monthly and the amount described in this paragraph will be deemed to include the relevant monthly premium for this policy.

Payments will continue until the earliest of the following:

- you return to full-time employment;
- you die;
- the maximum benefit period of 6 months is reached;
- the maximum of \$20,000 has been paid for any one claim.

If the monthly benefit amount calculated is lower than \$20 then the minimum amount of \$20 will be paid for that month. However there is no benefit payable if your Diners Club Credit Card Account is not in debit at the time of your redundancy.

6.2 What does self-employed mean?

Self-employed means you are employed by a company of which you have direct or indirect control and an ownership interest of 25% or more, or you work for yourself for remuneration for at least 25 hours per week and your remuneration is not subject to PAYE.

6.3 What does “redundancy” mean?

Redundancy is a situation where an employer ends your employment wholly or mainly because the position filled by you has become surplus to the needs of the employer (including where the employer is going into liquidation) and you are unable to work for at least 30 consecutive days or more as a result.

Redundancy begins when you register as unemployed with Work and Income New Zealand or an equivalent government agency and ends when you obtain full-time employment.

6.4 Can I claim more than once for redundancy?

Yes, you can have more than one claim for redundancy but you must have been back working in full-time employment for at least 6 months before you can make another claim.

Sovereign will not pay ongoing claims unless you provide proof of your continuing unemployment and make reasonable efforts to obtain employment.

7.0 Part F: Bankruptcy

7.1 How does the bankruptcy cover work?

This cover only applies if you are self-employed and become bankrupt after the start of this policy. If this occurs, subject to the terms of this policy, we will pay to your Diners Club Credit Card Account as a lump sum, the total amount you owe on your Diners Club Credit Card Account for transactions, charges and interest incurred before you became bankrupt, up to a maximum of \$20,000.

7.2 What does “bankruptcy” mean?

Bankruptcy means the Court has declared you bankrupt as a result of your creditors asking the Court to do so.

8.0 Information about Sovereign Assurance Company Limited

Sovereign, the policy insurer, is part of the Commonwealth Bank of Australia Group and is a related company of ASB Bank Limited and its subsidiaries ('the Banking Group'). Neither the Banking Group, the Commonwealth Bank of Australia, nor any of their directors, nor any other person guarantees Sovereign or its subsidiaries, nor any of the products issued by Sovereign or its subsidiaries.

Sovereign Assurance has an “A+ (Superior)” claims payment rating assigned by A.M. Best Company Inc of New Jersey, United States of America (“A.M. Best”). This rating was last confirmed by A.M. Best on 21 December 2010.

The rating scale is:

A++ Superior	B+ Very Good	C Marginal
A+ Superior	B Adequate	C- Marginal
A Excellent	B- Adequate	D Very Vulnerable
A- Excellent	C++ Fair	E Under Supervision
B++ Very Good	C+ Fair	F In Liquidation

A.M. Best is an approved insurance rating agency in terms of the Insurance Companies (Ratings and Inspections) Act 1994.

The claims paying rating assigned by A.M. Best may be subject to revision or withdrawal at any time by A.M. Best.

Sovereign's financial statements are available on request.

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