

# Policy features of Conventional (Whole of Life & Endowment) products

*It's important that you are kept informed about the policies you have with us. This document provides key information about your policy and its features.*

*The information in this document is of a general nature and does not constitute financial advice or other professional advice. Please speak to your financial adviser if you have detailed queries specific to your policy. This document only relates to New Zealand products.*

The Policy Options Guides found on our website [resolutionlife.co.nz/conventional](https://resolutionlife.co.nz/conventional) provide further information on your policy. To check what type of policy or plan you have, please refer to your policy document and/or your most recent policy statement.

## Policy features explained

Your policy provides life insurance cover with a savings component that grows in value over time, providing long-term cover with options for you to enjoy some of the benefits while you are alive.

- **Sum Insured:** At the beginning of your policy, you will have selected your basic life cover amount (sum insured).
- **Annual Bonuses\*:** If your policy includes this feature, Annual Bonuses accumulate over time and are guaranteed once declared. This will mean that you will receive the full amount of declared bonuses on the maturity date unless cashed in, or upon death. Annual Bonuses are distributed each year on your plan's anniversary and do not result in an increase in premiums.
- **Terminal / End Bonuses\*\*:** Terminal / End Bonuses are calculated as a proportion of annual bonuses already declared and are paid at maturity of your policy or on the death of the life insured. Terminal / End Bonuses are not guaranteed. These bonuses are a way of passing on a greater level of capital appreciation, usually from growth assets such as equities and property and are therefore more volatile than annual bonuses and can fall to zero. The bonuses broadly reflect movements in the value of growth assets.
- **Credit facilities:** If you have missed any payments of premiums by more than one month, the amount of the outstanding premiums reduces the cash value of your policy as any outstanding premiums (including accrued interest) will be deducted from the amount paid upon surrender, policy maturity or death. We will charge you compound interest on the amount of the overdue premium ('Premium Arrears'). You may also, subject to our acceptance, take a 'Loan on Policy' against the gross surrender value of your policy. Compound interest will also apply to any such loans. The rate of interest payable is determined by Resolution Life and is subject to change from time to time.
- **Surrender Value:** The full value of the sum insured, and accumulated bonuses are only paid upon death or at the maturity date. The method used to calculate the payment made upon surrender of a policy (i.e. the net cash value) is determined by us and takes into account various factors including the person insured's age, gender, basic sum insured, bonuses and the term to maturity.

- **Policy Maturity:** When your policy matures, you receive a lump sum payment equal to the sum insured and bonuses at that time (less any Premium Arrears or Loan on Policy). The most significant benefits from this policy are received by staying in it until maturity.

\* Certain (non-participating) policies do not receive annual bonuses, therefore may not have bonuses to cash.

\*\* For Pure Endowment or Investment only plans, Terminal / End Bonuses are only payable at maturity.

## Supplementary benefits

Supplementary benefits are used to tailor a policy to meet your individual protection needs.

We recommend you speak to your financial adviser to determine if you have any supplementary benefits in place and assess your current protection needs. It is important that you receive advice that is relevant to your individual situation, taking into account your current and future needs and goals.

## Cash out options

The following facilities can provide early access to policy funds and are available after your policy has been in force for two years or longer. As these options can affect current and future protection under your policy, we recommend that you talk to your financial adviser on a continuing basis when interacting with any of these facilities.

You can find further information in the Policy Options Guides found on our website [resolutionlife.co.nz/conventional](https://resolutionlife.co.nz/conventional).

- **Cashing of bonuses:** You can cash existing bonuses (if applicable) on the policy either on a one-off or regular basis.
- **Loan on policy:** You can take out a loan for up to 90% (for ex-AMP policies) or 80% (for ex-NMLA policies) of the current gross surrender (cash) value of the policy less any existing debts. Compound interest will also apply to any such loans. The rate of interest payable is determined by Resolution Life and is subject to change from time to time.
- **Surrender policy:** You can request to surrender the policy at any time.

## Credit facilities

There are a few important aspects about the policy's available credit facilities (Loan on Policy and Premium Arrears) and their impact. We recommend that you speak with your financial adviser if there is anything you are unsure about or should you require further information.

- **Interest rate:** An interest rate will apply to any loans or premium arrears. It is set by Resolution Life and is subject to change from time to time. Refer to our webpage for at [resolutionlife.co.nz/conventional](https://resolutionlife.co.nz/conventional) for the current interest rate and additional information on interest payable.
- **Impact on bonuses:** The loan/debt does not affect the policy's bonuses; these will continue to be applied at the normal rate.
- **Impact on policy:** The loan/debt does impact the policy in that it reduces the policy's value as the loan/debt amount owing (including accrued interest) will be deducted from any benefits payable upon surrender, maturity or death. As interest is capitalised, the amount of debt can

grow over time if there are no repayments to the Loan on Policy or Premiums Arrears debt. This may result in the debt reaching a level which would see the policy and the insurance benefits being cancelled.

- **Repayments:** You are not required to repay any advances made to you prior to surrender, maturity or death, but doing so will minimise your interest costs and the impact of that on the value of the policy. If the total amount owed reaches or exceeds the cash or surrender value of the policy, we will cancel the policy. Repayments can be made at any time and will reduce the balance of the loan immediately, which reduces the amount of interest payable.
- **Full repayment:** You can make full (or part) repayment of your debt at any time without any penalty.

## Interest charged on Premium Arrears or Loans on Policy

An interest rate will be charged with respect to any Premium Arrears or Loans on Policy.

- **Interest Rate:** The applicable annual interest rate is not fixed and is subject to change at Resolution Life's discretion. Refer to our webpage for at [resolutionlife.co.nz/conventional](https://resolutionlife.co.nz/conventional) for the current interest rate and additional information on interest payable. We will advise you in advance if this rate changes in the future. With changes in the interest rate, you may want to consider commencing or adjusting your payments to reflect any change.
- **When is interest charged:** Interest for loans is charged from the time when a loan is taken out. Interest for premium arrears is charged from the premium due date. However, the interest is waived if you pay your missed premium debt within 30 days of the premium due date.
- **How interest is calculated:** Interest is calculated daily on the unpaid balance of your Loan on Policy or Premium Arrears. Interest charges are calculated by multiplying the unpaid balance of your loan or debt at the end of the day by a daily interest rate. The daily interest rate is calculated by dividing the annual interest rate by 365. Depending on your policy terms, unpaid interest is capitalised six monthly or annually depending on your plan and added to the unpaid balance (interest is capitalised six monthly for ex-NMLA plans and yearly for ex-AMPL plans).

## Credit fees and charges

Other than interest, we do not charge any credit fees or charges under, or in connection with, the contract.

## The Credit Contracts and Consumer Finance Act 2003

Information regarding your rights under the *Credit Contracts and Consumer Finance Act 2003* (the 'CCCFA'), such as your right to cancel or apply for relief on grounds of unforeseen hardship, your right to refer any unresolved complaint to our independent dispute resolution scheme, and what will happen if you fail to meet your commitments are set out below.

We recommend that you get in touch with us or speak with your adviser if there is anything you are unsure about or should you require further information.

<p><b>Default interest charges and default fees</b></p>	<p>The creditor (“Resolution Life”) does not charge any default interest charges or default fees under, or in connection with, the contract.</p> <p>Your usual policy terms continue to apply. You may cancel your policy with Resolution Life or repay any outstanding Premium Arrears or Loans on Policy debt in full at any time without penalty.</p> <p>However, if you cancel your policy or repay any outstanding debt, interest may be payable for the period from the day you received the advance until the day you repay the advance.</p>
<p><b>Right to cancel / surrender</b></p>	<p><b>How to cancel / surrender your policy</b></p> <p>To cancel, you must give Resolution Life written notice that you intend to cancel the contract by:</p> <ul style="list-style-type: none"> <li>• giving notice to Resolution Life or an employee or agent of Resolution Life; or</li> <li>• posting the notice to Resolution Life or an agent of Resolution Life; or</li> <li>• emailing the notice to Resolution Life’s email address at <a href="mailto:askus@resolutionlife.co.nz">askus@resolutionlife.co.nz</a>.</li> </ul> <p>All policy owners will need to complete a surrender discharge form and supply verification of identity and proof of bank account information.</p>
<p><b>What to do if you suffer unforeseen hardship</b></p>	<p>If you are unable to reasonably meet your obligations to Resolution Life in respect of any policy loan or premium arrears because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, you may be entitled to apply to the creditor for consideration of a hardship variation.</p> <p>To apply for a hardship variation, you need to:</p> <ul style="list-style-type: none"> <li>– make an application in writing; and</li> <li>– explain your reason(s) for the application; and</li> <li>– request a postponement of the dates on which payments are due under the contract (specify the period for which you want this to apply), please note: interest will continue to apply; and</li> <li>– give the application to Resolution Life.</li> </ul> <p>Do this as soon as possible. If you leave it too long, Resolution Life may not have to consider your application.</p>

<p><b>Dispute resolution</b></p>	<p>Name of dispute resolution scheme: <b>Insurance &amp; Financial Services Ombudsman Scheme.</b></p> <p>It is free to make a complaint to this independent dispute resolution scheme. A complaint may be made to this scheme if Resolution Life is unable to satisfactorily resolve your complaint and your complaints falls within the scheme's jurisdiction.</p> <p>Contact details of the dispute resolution scheme:</p> <p>Phone: <b>0800 888 202</b></p> <p>Website: <a href="http://www.ifso.nz">www.ifso.nz</a></p> <p>Business address: <b>Level 2, Solent House, 70 the Terrace, Wellington, 6143.</b></p>
<p><b>Registration on <i>Financial Service Providers Register</i></b></p>	<p>Creditor registration name: <b>Resolution Life Australasia Limited</b></p> <p>Registration number: <b>FSP38141</b></p>