

# American Income Life Insurance Company

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## Policy Summary – Life Policy

In this Policy Summary, the words “we”, “our” and “us” mean the *American Income Life Insurance Company*, the insurer under the Policy.

### The Policy provides insurance against the death of the Insured

We will pay the Face Amount if the Insured dies while the Policy is in force. The “Face Amount” and name of the “Insured” are set out in the Policy Schedule on page 3 of the Policy.

“In force” means that the insurance cover has not stopped.

**The purpose of this Policy Summary is to help explain some of the main features of the Policy.**

This Policy Summary is only a brief overview and does not form part of the contract between the parties.

**PLEASE READ THE POLICY CAREFULLY ONCE RECEIVED.**

The actual Policy has full information and sets out any limits.

### The Policy may be cancelled within 10 working days

If the Policy is cancelled within 10 working days of receiving it from us, the parties will be in the same position as if no Policy had been issued. In that case, we will refund any premiums paid.

The Policy can be cancelled by notifying:

- us, at our contact details above; or
- the *AIL of NZ* adviser who sold the Policy.

If the Policy is cancelled after 10 working days of receiving it from us, we will not refund the premiums paid.



## **The Policyowner owns the Policy and has certain rights**

The Policyowner is the person who owns the Policy. Their name is set out in the application, which will be attached or added to the Policy. The Policyowner could be the Insured, or could be someone else.

The Policyowner has the following rights:

- the right to assign the Policy;
- the right to change the Policyowner or beneficiary; and
- the right to cancel the Policy.

Details of these rights (including limits) are set out in the Policy.

## **We may refuse to pay the benefit if incorrect statements are made in the application**

We will not argue the Policy is void on the basis of any statement made by or about the Insured, unless that statement was made in the application.

After the Policy has been in force for two years, we will not argue that the Policy is void, except for fraud or the failure to pay premiums. But this provision does not apply to any Policy Add-ons for Disability Waiver and Accidental Death.

The Policy will only be void where all legal requirements are met.

## **We can pay amounts under the Policy in different ways**

There are several options for payment of the Face Amount if the Insured dies. These options are called "Settlement Options". If none of the Settlement Options is selected, we pay the Face Amount as a lump sum.

Details of the Settlement Options (including limits) are set out in the Policy.



## Additional benefits may be added to the Policy

Additional benefits may be added to the Policy. In that case, each additional benefit will be set out in a “Policy Add-on” document.

A Policy Add-on might, for example, provide one of the following additional benefits:

- an additional benefit for death by accident;
- an accelerated payment of part of the Face Amount where the Insured becomes terminally ill;
- additional life insurance cover for the Insured. In that case, the “Initial Face Amount” set out in the Policy Schedule shows the total of the Face Amount plus the additional life insurance cover for the Insured at the start of that additional cover; or
- additional life insurance cover for the Insured’s spouse or for the Insured’s children.

A Policy Add-on may either be:

- attached to the Policy when it is sent by us; or
- sent by us subsequently, if a Policy Add-on is later added to the Policy.

Either way, the Policy Add-on forms part of the contract of insurance.

## Regular premium payments must be made

Regular premium payments must be paid to us to keep the Policy in force. The amount of the premium payments is set out in the Policy Schedule.

If the premium is not paid before the due date, we allow 31 days for the premium to be paid.

If a premium is not paid by the end of the 31 days, we will no longer provide insurance cover under the Policy.

But, if the Policy has been in force for five years at the due date of the unpaid premium, then cover can continue as Extended Term Insurance. This extended cover lasts for one year from the due date of the unpaid premium.

There is also a separate right to reinstate the Policy after the date it ceases to be in full force. This right allows the Policy to be put back in full force within a five year period. Other terms and conditions also apply to reinstating the Policy.

## There are options if premium payments are not paid in time