

Product Options Guide

A comprehensive guide to the options available on Resolution Life Australasia Limited (formerly The National Mutual Life Association of Australasia Limited (NMLA)) Whole of Life, Endowment, Pure Endowment, Goldline, Flexipol and Link-Save policies and plans.

**For Resolution Life Adviser
and customer use only.**

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Product Options Guide overview

This guide provides additional detail on all of the options described in the Product Options Summary, mailed to customers in June 2013, for holders of Resolution Life Australasia Limited (formerly The National Mutual Life Association of Australasia Limited (NMLA)) Whole of Life, Endowment, Pure Endowment, Goldline, Flexipol and Link-Save policies and plans.

How to use this guide

This guide is split into two sections - Section A and Section B. To find a specific option, please refer to the Table of Contents and find the section that relates to your policy or plan type. Options are listed in alphabetical order.

Under each option, you'll find details of the product and plan types that offer that particular option. Before considering an option, please check that it is available on your particular policy or plan.

This guide describes how each option may affect your policy or plan, the steps necessary to request each option on your policy or plan and where to find more information, including forms and illustrations, if required.

Requesting an option on your policy or plan

If, after reading this guide, you wish to receive advice or take up an option, please talk to your Adviser in the first instance. It is important that you receive advice that is relevant to your individual situation, taking into account your current and future needs and goals.

Additionally, you may require more information. For Whole of Life and Endowment policies, this may include an illustration showing the change to your policy or plan premium, the change in policy sum insured and/or estimated maturity value (if applicable). Some options may also require completion of a particular form. Your Adviser can provide this information and discuss the process with you. If your Adviser is unable to assist for any reason, they will refer you to us for assistance.

This guide provides information about options on the following policy and plan types:

- **Whole of Life (including Lifestyle and Children's)**
- **Endowment (including Children's)**
- **Pure Endowment Lifestyle**
- **Business Protection Plan (Key Person)**
- **Business Endowment Plan**
- **Goldline**
- **Flexipol**
- **Link-Save**

Supporting information and documentation

Your Policy Document and Schedule

This guide tells you about the options available to you under your policy or plan and how each can be used to change certain aspects of your insurance cover and/or savings or investment. However, it does not contain all of the details on each option available to you. Please refer to your Policy Document for the full terms and conditions that apply. Additionally, your most recent Policy Schedule provides information about extra cover and/or exclusions that may apply to your policy or plan, along with special terms and general policy information.

There are some options that are currently offered that are in addition to the written terms of your policy or plan. If you would like more information about an option described in this guide that is not shown in your Policy Document, please talk to your Adviser.

Response to requests and confirmation of options processed

If a request is made to exercise an option on your policy or plan, we will issue an Alteration Request (or other form that we require), to be reviewed and signed by the policy owner/s. If a request is accepted by us, the type of confirmation sent to you will depend on the option and may include a new Policy Schedule or other confirmation letter.

More information about an option

If you require more information about an option, such as an illustration or form, please contact your Adviser.

Replacement documents

To enquire about replacement Policy Documents or for general queries, please call us on **0800 808 267** or email us at askus@resolutionlife.co.nz

Resolution Life Australasia Limited ABN 84 079 300 379 (Resolution Life), Floor 15, 125 Queen Street, Auckland Central, Auckland 1010, is incorporated in Australia, operates in New Zealand and is part of the Resolution Life Group.

This document provides an overview of the options available to existing holders of (formerly The National Mutual Life Association of Australasia Limited (NMLA)) Whole of Life, Endowment, Pure Endowment, Goldline, Flexipol and Link-Save policies and plans as at the date of publication and is not necessarily exhaustive. While every reasonable effort has been made to ensure the information contained in this communication is correct, none of Resolution Life, its subsidiaries or any of its associated companies, or any other person accepts any responsibility arising in any way from any error or omission, or for any consequences flowing from its use. Resolution Life is the issuer of any products described in this document. Within this document, reference to 'we', 'our', and 'us' means Resolution Life.

Section A:

Whole of Life,

Endowment,

Business Protection and

Business Endowment

plans

Add new benefits

You can apply to add certain supplementary benefits to your existing policy, to allow you to increase your insurance cover. Adding new benefits requires the life insured to provide new health evidence, payment of an additional premium and the new benefit amount must be within minimum and maximum sum insured and/or premium requirements. Depending on the type of cover you need, you may want to consider more modern alternatives available under Term insurance – please ask your Adviser for details.

The following policy types allow benefits to be added:

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan (conditions apply)¹
- Endowment Plan
- Children's Endowment Plan
- Business Protection Plan (Key Person)
- Business Endowment Plan

If you have a Life Builder or other policy type not listed above, please contact us to confirm whether you can apply to have a certain benefit added.

The relevant benefit types are as follows:

1. *Buy-Back option* – this option enables you to apply for insurance on the life insured one year after we accept a claim for payment for a major trauma (as defined) under the Recovery benefit. If the Buy-Back option is exercised, the life insured is not required to provide new health evidence. The maximum amount of cover available is the Buy-Back option sum insured, shown in the Policy Schedule. This option can be added up to age 55.
2. *Decreasing Insurance benefit* – this benefit provides an additional, decreasing level of cover that is payable upon death of the life insured. Up to the policy anniversary before the life insured's 50th birthday, you can apply to replace all or part of this benefit with another policy (as determined by us and subject to terms and conditions). This benefit can be added up to age 50. If this benefit is added, restrictions may apply on the ability to add other benefits.
3. *Future Insurability benefit* – during specified option periods (which if within 5 years, can be brought forward upon the life insured's marriage, birth or legal

adoption of a child or purchase of a house, as defined in the Policy Document), you can apply for further insurance on the life insured, without requiring them to provide full new health evidence (certain health questions are asked when the benefit is exercised). This benefit can generally be added up to age 38.

4. *Protective Life Death benefit* – if the protective life dies before the benefit expires, this benefit enables the annual policy premium to be waived between the date of death and the benefit expiry date. This benefit can be added where the protective life is up to age 60.
5. *Recovery benefit* – this benefit pays up to 100% of the existing policy life cover (the total of the amounts payable under the policy upon the life insured's death) if, before the benefit expires, the life insured suffers a major trauma, such as cancer, heart attack or stroke (each as defined in the Policy Document). This benefit can be added up to age 55.
6. *Term Insurance benefit* – this benefit provides additional life cover which is paid out if the life insured dies before the benefit expires. Up to the policy anniversary before the life insured's 71st birthday, you can apply to replace this benefit with another policy (as determined by us and subject to terms and conditions). If this benefit is added, restrictions may apply on the ability to add other benefits. This benefit can be added up to age 65.
7. *Total and Permanent Disablement benefit* – if the life insured suffers total and permanent disablement (as defined in the Policy Document), this benefit pays the existing policy life cover (the total of the amounts payable under the policy upon the life insured's death). This benefit can be added up to age 55.

What will happen if I exercise this option?

You will be required to pay an additional premium for the new benefit/s (a quotation of the increase in premium is available upon request from your Adviser). If you apply to add a benefit to your policy, the life insured will be required to provide full new health evidence on an Application form, available from your Adviser. Subject to our acceptance, the new benefit will be added to your policy and we will issue a new Policy Schedule. You will pay a new premium amount which includes the cost of the new benefit/s.

¹ Children's Whole of Life plans may have benefits added but this requires them to be altered to an adult policy and may result in a new premium being charged.

Buy-Back option

If the Buy-Back option is added to your policy and we accept a claim for a major trauma under the Recovery benefit on the same policy as the Buy-Back option applies, you will be able to apply for insurance on the life insured one calendar year after a claim for payment for a major trauma is accepted. Exclusion/s may apply to the bought back cover. For the definition of a major trauma, please refer to the Lifestyle Plan Recovery benefit Policy Document, available from your Adviser. Please refer to page 10 for further details of the effect of exercising this option.

Decreasing Insurance benefit

If the Decreasing Insurance benefit is added to your policy and the life insured dies before the benefit expires, an additional amount of cover will be paid. The amount that is paid under this benefit is calculated based on the number of units shown in the Policy Schedule multiplied by a sum insured per unit, depending on the number of years to the benefit expiry date, as set out within the Lifestyle Plan Policy Document, available from your Adviser. Please refer to page 11 for further details of the effect of exercising this option.

Future Insurability benefit

If the Future Insurability benefit is added to your policy, during any option period (of which you are generally notified in advance), you will be able to apply for further insurance on the life insured, subject to providing AIDS-related health evidence which is accepted by us. Upon the life insured's marriage, birth or legal adoption of a child or purchase of a house, if the next option date is within 5 years, it can be brought forward and exercised within 3 months. In some cases, the additional cover can be added to your existing policy. For full terms and conditions, including those relating to bringing forward the next option date, please refer to the Lifestyle Plan Future Insurability benefit Policy Document, available from your Adviser. Please refer to page 12 for further details of the effect of exercising this option.

Protective Life Death benefit

If the Protective Life Death benefit is added to your policy, and the protective life dies before the expiry date of the benefit, we will not require you to pay the annual premium on your policy (as shown on your current Policy Schedule) between the date of death and the benefit expiry date.

Recovery benefit

If the Recovery benefit is added to your policy and the life insured subsequently suffers from a major trauma (as defined in the Policy Document), we will pay up to 100% of the life cover that would be paid under your policy (apart from any accidental death benefit) if the life insured had died at the date that the major trauma occurred. If the amount paid under the Recovery benefit is 100% of your existing policy life cover, your policy will be cancelled. If the amount is less, the Recovery benefit paid will be deducted from your existing policy life cover and the balance of cover will remain on your policy.

If any total and permanent disablement benefit is also payable on the date of the major trauma, the total and permanent disablement benefit will be paid first.

For the definition of a major trauma, please refer to the Lifestyle Plan Recovery benefit Policy Document, available from your Adviser.

Term Insurance benefit

If the Term Insurance benefit is added to your policy and the life insured dies before the benefit expires, we will pay the amount of the benefit, as specified in your Policy Schedule. If you apply to replace your existing Term Insurance benefit with another policy, subject to our approval, we will issue a new policy (as determined by us), in accordance with minimum sum insured requirements and other terms and conditions relating to the new policy. Your Term Insurance benefit will end and you will be required to pay a new policy premium for the new policy, based on current premium rates. Please refer to page 12 for further details of the effect of exercising this option.

Total and Permanent Disablement benefit

If the Total and Permanent Disablement benefit is added to your policy and the life insured subsequently suffers totally and permanent disablement (as defined in your Policy Document), we will pay the amount that would be paid under your policy (apart from any accidental death benefit) if the life insured had died at the date of total and permanent disablement. Once this benefit is paid, no other benefit will be payable under your existing policy.

For the definition of total and permanent disablement, please refer to the Lifestyle Plan Total and Permanent Disablement benefit Policy Document, available from your Adviser.

Cash out options

If you need access to funds, the following options can provide this. As exercising them can result in a lower amount of current and future protection under your policy, we recommend that you talk to your Adviser.

Cashing of bonuses

The following policies allow you to apply to cash in your existing policy bonuses (if applicable)²:

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan
- Endowment Plan
- Children's Endowment Plan
- Pure Endowment Plan
- Business Protection Plan (Key Person)
- Business Endowment Plan

This option is available provided your policy has a cash value (in most cases, where at least two years of premiums have been paid).

Cashing in your existing bonuses means that the current cash value of reversionary (annual) bonuses that have been paid on your policy is removed and paid to you, rather than staying in your policy and compounding over time.

What will happen if I exercise this option?

New annual bonuses are calculated based on existing policy sum insured and existing bonuses, therefore cashing in your bonuses will reduce the amount of your current life cover and the amount of future annual bonuses added to your policy. Your policy maturity value will also be lower. Once bonuses have been cashed and paid, they cannot be reinstated on your policy.

We recommend that you talk to your Adviser about whether this option is right for you. To enable you to see the effect of cashing bonuses on your policy, including the effect on your death benefit and estimated maturity value, an illustration is available upon request.

To apply to cash existing bonuses on your policy, you and/or your Adviser are required to contact us. Upon request, we will issue an Application for Payment of Bonuses form. If you accept the terms stated on the form, all policy owners are required to sign and return the form to us, along with a bank deposit slip,

for processing. Upon receipt and acceptance of your request, the amount stated on the form (being the cash value of your bonus) will be paid. Once we have paid the bonuses, you will receive a letter confirming the number of bonuses cashed and the cash value of bonuses paid (i.e. the total payment amount). Thereafter, the value of future annual bonuses that are added to your policy will reduce and you will have less insurance cover going forward.

Loan on policy

The following policies allow you to apply to take out a loan for up to 80% of the current gross surrender value of your policy (less any existing policy debts):

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan
- Endowment Plan
- Children's Endowment Plan
- Pure Endowment Plan
- Business Protection Plan (Key Person)
- Business Endowment Plan

This option is available provided your policy has a cash value (in most cases, where at least two years of premiums have been paid).

An interest rate will apply to your loan. Interest is calculated daily and is added (capitalised) 6-monthly. The interest rate is stated on the application and is subject to change by us from time to time.

What will happen if I exercise this option?

If you request to take out a loan against the gross surrender value of your policy, subject to our acceptance, we will advance the relevant amount to you. The current amount owing (including accrued interest) will be deducted from the amount paid upon surrender, death or at maturity. If a loan is taken against your policy, there is no impact on accumulation of bonuses. To process the loan, you will be required to complete a Policy Loan Application form and Memorandum of Mortgage of Policy, which sets out the terms and conditions applying to the loan, including the current interest rate.

Your loan will be processed once we receive and approve the completed form, signed by all policy owners, (including a copy of photo identification and proof of bank account).

² Please note that certain (non-participating) policies do not receive annual bonuses, (therefore may not have sufficient bonuses to cash), or bonuses may stop from a certain age. If you are unsure about whether bonuses apply to your plan, please check your Annual Bonus Certificate, contact your Adviser or contact us.

You will receive a 6-weekly statement (Loan Update) confirming the opening and closing balance of your loan. Although you are not required to make set repayments, it is in your best interests to do so, as interest is added to the loan principal and as it is compounding, incurs further interest. If the loan debt (including interest) exceeds the gross surrender value of your policy, your policy will be cancelled.

Surrender policy

The following policies can be surrendered (cashed in and cancelled) at any time:

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan
- Endowment Plan
- Children's Endowment Plan
- Pure Endowment Plan
- Business Protection Plan (Key Person)
- Business Endowment Plan

When a policy is surrendered, the current net cash value is paid and the policy is cancelled. In most cases, a policy will not have a net cash value until at least two years of premiums have been paid. Any overdue premiums and/or loan debt (including interest) are deducted from the amount paid.

What will happen if I exercise this option?

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.

Surrendering your policy will result in the loss of insurance benefits (and maturity value). If you need insurance in the future, the life insured will need to reapply and provide new health evidence. As Whole of Life and Endowment policies are designed to provide long-term benefits, depending on how long your policy has been in force, the amount you receive may be less than the total premiums paid. We recommend that you talk to your Adviser about whether this option is right for you.

To process the surrender, you will be required to complete a Surrender form showing the current surrender value of your policy (as confirmed by us), signed by all policy owners. Once the form is completed and received by us (including a copy of

photo identification and proof of bank account), the current surrender value will be paid and you will receive confirmation that the policy has been cancelled, the amount paid and the bank account to which funds were paid.

Change the maturity date

You can choose to mature your policy earlier than the current maturity date, for example, if you no longer need life cover from a certain age.

Existing policy maturity dates cannot be extended, except in cases where we may roll over the maturity date of a Whole of Life policy when the life insured is aged 95 (if death has not occurred), to pay the maturity value upon death in accordance with Policy Document terms.

Bring maturity date forward

The maturity date of the following Endowment policies can be brought forward:

- Endowment Plan
- Children's Endowment Plan
- Business Endowment Plan

The maximum age at which an Endowment Plan can mature is age 80.

Conversion to an Endowment policy

The following policies can be converted to an Endowment policy, to enable the maturity date to be brought forward:

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan
- Business Protection Plan (Key Person)

Options available for Whole of Life to Endowment conversions and bringing Endowment maturity date forward:

The options available to you as part of bringing your Endowment policy maturity date forward or converting your Whole of Life policy to an Endowment policy are:

1. Retain your existing policy premium.
2. Retain your existing policy sum insured.
3. Retain your existing policy death benefit.
4. Choose a premium.
5. Choose a sum insured.

The ability to exercise any of the above options is subject to your policy premium being above the minimum we require.

What will happen if I exercise this option?

If your policy has been in force for 15 years or more, the earliest policy maturity date available will be one year from your next policy anniversary date. In all other cases, depending on how long your policy has been in force, your new policy maturity date will be subject to a minimum policy term.

If you request to bring forward your policy maturity date by converting your Whole of Life policy to an Endowment policy or reducing your existing Endowment policy term, you will not have insurance cover, nor will you be required to pay your premium, beyond the new maturity date of your new Endowment policy. As your policy maturity date will be earlier, in most cases the maturity value of your policy will be reduced. At the new maturity (end) date, you will be entitled to receive your policy maturity value and your policy will end.

The impact of various changes under this option are summarised as follows:

1. Retain your existing policy premium. If you request this option, your policy sum insured and existing bonuses will decrease.
2. Retain your existing policy sum insured. If you request this option, your premium will increase and your existing policy bonuses will decrease.
3. Retain your existing policy death benefit. If you request this option, your policy sum insured will increase, your existing policy bonuses will decrease and your policy premium will increase.
4. Choose a premium. You can choose a new premium amount, which must be between the minimum and maximum premium (as determined by us). If you request this option, your existing policy sum insured and premium amount will change (increase or decrease).
5. Choose a sum insured. You can choose a new sum insured, which must be between the minimum and maximum sum insured (as determined by us). If you request this option, your existing policy sum insured and premium amount will change (increase or decrease).

To request to change your maturity date, you or your Adviser will be required to contact us and, we will send a quotation, including an Alteration Request form.

If you accept the terms stated on the form, all policy owners are required to sign and return the form to us.

Subject to our acceptance of your request to exercise the option, we will issue a letter, including a Policy Schedule showing your policy sum insured, premium amount and policy maturity date. If exercising the option has resulted in an increase to your premium, you will have 14 days from the date you receive the letter to return the documentation to us with a written request to cancel the increase made to your policy premium. If you decline the increase within this period, the increase in your policy premium (and in some cases, the change to your maturity date), will be reversed. Any increase in premium that you have paid will be refunded.

Convertibility of policy

If your existing policy no longer meets your needs and the person insured is under age 71, you can apply to have the policy converted to another type of insurance (as determined by us - current options are available upon request). This option is available on a case-by-case basis, subject to current business rules. Currently, the following policies can be converted:

- **Children's Whole of Life Plan**
- **Business Protection Plan (Key Person)**

Conversion of other policy types, including Lifestyle Whole of Life and Business Endowment Plan may be available upon application.

The amount of cover that can be converted is the 'sum at risk' (the existing policy sum insured, plus existing guaranteed bonuses if applicable, less the gross surrender value). The current net surrender value is paid to you (any overdue premiums and/or loan debt including interest are deducted) and the existing policy is cancelled.

What will happen if I exercise this option?

Converting your policy to another type of insurance (e.g. Term insurance) will result in the loss of the existing policy savings component and future growth in bonuses (if applicable). A Term insurance policy is designed to pay a set amount upon death and does not increase in value (inflation increases may be included as an option). We recommend that you talk to your Adviser about whether converting your policy is right for you.

The current amount of convertible cover and net surrender value are available upon request. You can request an illustration on a Term insurance policy, including the sum insured and premium, from your Adviser.

To apply to convert your existing policy, the life insured will be required to complete an Application form, available from your Adviser. Subject to our acceptance, you will be required to complete a Surrender form to cancel your existing policy. We will confirm that your existing policy has been cancelled and will issue a Policy Schedule and Policy Document confirming your new Term insurance policy.

Exercise existing supplementary benefits

If one or more of the following benefits apply to your policy, you can choose to exercise the benefit when the life insured is of certain ages or under the terms and conditions specified in your Policy Document. The maximum amount of benefit cover is shown in your Policy Schedule. Exercising these benefits will result in an increase to your premium.

To check whether your policy has these benefits, please refer to your Policy Schedule. Wherever a new policy is issued, it must meet minimum sum insured requirements and current premium rates apply.

Buy-Back option

If your policy has this option and if we accept and pay a claim for a major trauma (as defined in your Policy Document) under your existing Recovery benefit, you can apply for insurance on the life insured one calendar year after a claim payment for a major trauma is accepted. Exclusion/s may apply to the bought back cover.

The type of insurance available is determined by us (current options are available on request) and minimum premiums and/or sum insured apply. Currently, where the amount of a claim paid under the Recovery benefit is less than the amount of existing Life cover on your policy, you can request to exercise the Buy-Back option as an increase to your existing policy life cover, rather than as a new insurance policy.

What will happen if I exercise this option?

If you apply within the dates specified, the life insured will not be required to provide new health evidence (verification of certain details applying to new policies may be required). You will be required to pay a new premium for the new cover, for which a quotation is available from your Adviser.

Subject to our acceptance, the new cover will be applied and you will receive a new Policy Schedule.

You will be required to pay a new premium for the new insurance cover.

Cost of Living Increases (ability to decline)

If your policy has Cost of Living Increases (if you have a Lifestyle Plan, these are automatic unless declined), your existing policy premium and sum insured cover will increase annually on each policy anniversary date up to age 60 (or to the date specified in your Policy Document). The amount of the annual increase is set by us and is based on movements in the Consumer Price Index (CPI), applied at a minimum level of 3% per annum (subject to being within maximum sum insured requirements).

If you pay your premiums by direct debit and you take no action to the contrary, your premium will increase and the amount will be reflected on your Inflation Adjustment Notice and Bonus Certificate. If you pay your premiums by a different method, to have Cost of Living increases applied, you are required to pay the premium amount shown on your Inflation Adjustment Notice. You can choose to decline a Cost of Living increase in any given year.

What will happen if I exercise this option?

Accepting a Cost of Living increase will result in your premiums being increased based on movements in the CPI, which will increase your policy sum insured.

If you decline an annual Cost of Living increase, it will not be applied to your policy premium, therefore your premium and sum insured will stay the same.

To decline a Cost of Living increase, if you pay by direct debit, you will be required to provide a written request before your policy anniversary date. If you pay by a different method, you can simply choose to pay the premium amount without the Cost of Living increase applied.

Cost of Living round up

Providing that Cost of Living increases currently apply to your policy, you can apply through your Adviser to 'round up' your premium, to increase your policy premium (which will result in an increase to your sum insured), to the nearest whole dollar value.

The amount by which you can round up your premium depends on your premium payment frequency. Current rules for round ups are available from your Adviser and are subject to change. Examples, based on current business round up rules are as follows:

- Monthly premiums: You can round up your monthly premium to the nearest \$10, and add up to \$5 extra.
- Annual premiums: You can round up your yearly premium to the nearest \$100, and add up to \$50 extra.

What will happen if I exercise this option?

Upon the advice of your Adviser, you may consider this option if you would like to increase your policy premium. A quotation is available upon request. If you request to round up your premium, your premium will be recalculated in accordance with current round up rules and will increase by the amount of the round up (the round up increase being applied on top of the annual Cost of Living increase).

Subject to our acceptance, once we have processed the round up option on your policy, you will receive a letter, including a Policy Schedule and an Illustration Advice, confirming your sum insured and premium amount. Illustrations are based on current illustrative bonus rates. Actual bonus rates are subject to change.

As exercising this option will result in an increase to your premium, you will have 14 days from the date you receive the letter, within which to return the documentation to us, with a written request to cancel the increase in premium on your policy. If you decline the alteration within the time specified, the alteration will be reversed and any additional premiums that you have paid for the alteration will be refunded.

Decreasing Insurance (or Vital Years) benefit

If your policy has this benefit, you can apply for a new Whole of Life, Endowment or Term insurance policy (if specified in your Policy Document), or you can replace your existing benefit with another policy (as determined by us - current options are available upon request), up to policy anniversary date before the life insured reaches age 50. The cover available is a sum insured up to the value of your current Decreasing Insurance benefit (the benefit sum insured must be greater than \$2,000).

Acceptance is subject to meeting the minimum sum insured requirements of the new policy. Full new health evidence is not required, however health questions may be asked in accordance with current terms and conditions. Currently, as an alternative to a new policy, you can apply for the new replacement cover to be provided by way of an increase to your existing policy sum insured.

What will happen if I exercise this option?

You can request an illustration of a new Whole of Life, Endowment or Term insurance policy from your Adviser, showing your new premium, sum insured and estimated maturity value (not applicable for Term insurance). Illustrations on Whole of Life and Endowment policies are based on current illustrative bonus rates. Actual bonus rates are subject to change.

If you request to exercise your option by taking out a new policy, you will be required to complete an Application form, available from your Adviser. Subject to our acceptance, for a new policy we will issue (in addition to your current plan) a new Whole of Life, Endowment or Term insurance policy and you will receive a new Policy Schedule and Policy Document.

If you request to exercise your option by increasing the sum insured under your existing policy, subject to our acceptance, we will issue a letter, including a Policy Schedule and Illustration Advice showing your policy sum insured, premium amount and policy maturity value. Illustrations are based on current illustrative bonus rates. Actual bonus rates are subject to change. As exercising the option as an increase to your sum insured will result in an increase to your premium, you will have 14 days from the date you receive the letter to return the documentation to us with a written request to cancel your request to exercise the option. If you decline the increase within this period, the increase to your existing policy will be reversed and any resulting increase in premium that you have paid will be refunded.

Future Insurability benefit

If your policy has this benefit, you can apply for a new Whole of Life, Endowment or Term insurance policy (where specified in your Policy Document), or you can replace your existing benefit with another policy (as determined by us and available upon request).

You can exercise the option at certain option dates as described in your Policy Document (which, if falling due in the next 5 years, can be brought forward upon the life insured's marriage, birth or legal adoption of a child and exercised within 3 months of the event), for a sum insured up to the value of your Future Insurability benefit. Generally, this benefit expires on or before age 41, depending on the age of the life insured when your policy commenced.

Acceptance is subject to meeting the minimum sum insured requirements of the new policy. Full new health evidence is not required, however certain health questions may be asked, as stated in your Policy

Document and in accordance with current terms and conditions. Currently, as an alternative to a new policy, you can apply for the new replacement cover to be provided by way of an increase to your existing policy sum insured.

What will happen if I exercise this option?

Before each option date, you and your Adviser will receive written notification that the Future Insurability benefit option can be exercised.

You can request an illustration of a new Whole of Life, Endowment or Term insurance policy from your Adviser, showing your new premium, sum insured and estimated maturity value (not applicable for Term insurance). Illustrations on Whole of Life and Endowment policies are based on current illustrative bonus rates. Actual bonus rates are subject to change.

If you request to exercise your option on a new policy, you will be required to complete an Application form, available from your Adviser. Subject to our acceptance, for a new policy, we will issue (in addition to your current plan) a new Whole of Life, Endowment or Term insurance policy and you will receive a new Policy Schedule and Policy Document.

If you request to exercise your option by increasing the sum insured under your existing policy, subject to our acceptance, we will issue a letter, including a Policy Schedule and Illustration Advice showing your policy sum insured, premium amount and policy maturity value. Illustrations are based on current illustrative bonus rates. Actual bonus rates are subject to change. As exercising the option as an increase to your sum insured will result in an increase to your premium, you will have 14 days from the date you receive the letter to return the documentation to us with a written request to cancel your request to exercise the option. If you decline the increase within this period, the increase to your existing policy will be reversed and any resulting increase in premium that you have paid will be refunded.

Survivor's benefit

This benefit only applies to policies where 'joint lives' are insured under the same policy. If your policy has this benefit, upon the death of either life insured, the survivor, if under age 60, can apply (between 14 and 90 days from the date of death) for a new Whole of Life or Endowment policy on their own (the survivor's) life. Alternatively, the type of policy that can be requested

and issued may be a Term insurance policy, as determined by us.

Full new health evidence is not required, however certain questions may be asked to validate your request and in accordance with the terms and conditions of the new policy. New policies are issued subjecting to meeting minimum and maximum sum insured requirements. The maximum sum insured available on the new policy is the lesser of the sum insured shown in the Policy Schedule and \$50,000.

What will happen if I exercise this option?

You can request an illustration of a new Whole of Life, Endowment or Term insurance policy from your Adviser, showing your new premium, sum insured and estimated maturity value (not applicable for Term insurance). Illustrations on Whole of Life and Endowment policies are based on current illustrative bonus rates. Actual bonus rates are subject to change.

If you are the surviving life and wish to apply to exercise your option, you will be required to complete an Application form, available from your Adviser. Subject to our acceptance, we will issue a new Whole of Life, Endowment or Term insurance policy and you will receive a new Policy Schedule and Policy Document.

Term Insurance benefit (TI)

If your policy has this benefit, you can apply to replace all or part of your benefit with another policy (as determined by us - current options are available upon request). As not all types of benefits can be converted, please refer to your Policy Document to check whether this option is available on your benefit, or contact us for further information.

Acceptance is subject to meeting the minimum sum insured requirements of the new policy. Full new health evidence is not required, however certain health questions may be asked, as stated in your Policy Document and in accordance with current terms and conditions of the new policy. Currently, as an alternative to a new policy, you can apply for the new cover to be provided by way of an increase to your existing policy sum insured.

What will happen if I exercise this option?

You can request an illustration of a new Term insurance policy from your Adviser, showing your new premium and sum insured.

² Please note that certain (non-participating) policies do not receive annual bonuses, therefore may not have sufficient bonuses to cash, or bonuses may stop from a certain age. If you are unsure about whether bonuses apply to your plan, please check your Annual Bonus Certificate, contact your Adviser or contact us.

If you request to exercise your option, your Term Insurance benefit sum insured will reduce by the amount of the new policy (or by the increase to your existing policy) and your existing policy premium will be adjusted. If the remaining benefit sum insured is less than we allow, your Term Insurance benefit will end.

If you wish to exercise your option on a new policy, you will be required to complete an Application form, available from your Adviser. Subject to our acceptance, we will issue (in addition to your current policy) a new Term insurance policy and you will receive a new Policy Schedule and Policy Document.

If you request to exercise your option by increasing the sum insured under your existing policy, subject to our acceptance, we will issue a letter, including a Policy Schedule and Illustration Advice showing your policy sum insured, premium amount and policy maturity value. Illustrations are based on current illustrative bonus rates. Actual bonus rates are subject to change. As exercising the option as an increase to your sum insured will result in an increase to your premium, you will have 14 days from the date you receive the letter to return the documentation to us with a written request to cancel your request to exercise the option. If you decline the increase within this period, the increase to your existing policy will be reversed and any resulting increase in premium that you have paid will be refunded.

Increase or decrease your cover (sum insured)

The following policies allow you to apply to increase or decrease the sum insured cover on your policy, therefore increasing or decreasing your policy premium:

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan
- Endowment Plan
- Children's Endowment Plan
- Pure Endowment Plan
- Business Protection Plan (Key Person)
- Business Endowment Plan

Increasing your sum insured cover requires the life insured to provide new health evidence, and if approved, to pay an additional premium. The increase (or decrease) must be above the minimum sum insured and/or premium requirements.

If your policy has certain supplementary insurance benefits (refer to 'Exercise existing supplementary benefits' section), you may also be able to apply to increase or decrease the amount of your benefit cover. To find out whether you can apply to increase or decrease the cover available under any supplementary benefits on your policy, please contact us on **0800 808 267**. Before increasing or decreasing your benefit cover, we recommend that you talk to your Adviser about whether this option is right for you.

What will happen if I exercise this option?

To enable you to see the effect of an increase or decrease to your existing policy sum insured cover on your premium, a quotation is available upon request. Increasing your policy sum insured cover will generally result in a higher number of annual bonuses added to your policy each year (if applicable²) and a higher amount paid upon death or at maturity. Decreasing your sum insured cover will generally result in a lower number of annual bonuses added to the policy each year (if applicable) and a lower amount paid upon death or at maturity.

If you apply to increase your policy sum insured cover, we will require new health evidence, requiring the person insured to complete a new Application form, available from your Adviser. If you request to decrease your policy sum insured cover, you will be required provide a letter of request, signed by all policy owners, including the decrease in sum insured requested.

Subject to our acceptance, the increase or decrease to your policy sum insured cover will be processed and we will issue a confirmation letter, including a new Policy Schedule.

For increases, this will include an Illustration Advice, confirming your new policy sum insured, premium amount and estimated maturity value. Illustrations are based on current illustrative bonus rates. Actual bonus rates are subject to change. From the date you receive the letter confirming the increase, you will have 14 days to return the documentation to us with a written request to cancel the increase on your policy. If you decline within this period, the increase to your existing policy will be reversed and any increase in premium that you have paid will be refunded.

Payment options

You can change your premium payment frequency. Additionally, if you wish to pay no further premiums, an option is available to make your policy paid up.

Change the period for which your premiums are payable

The following policies enable you to request to change your premium payment period, e.g. if you currently pay yearly, you can change your premium payment to monthly:

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan
- Endowment Plan
- Children's Endowment Plan
- Pure Endowment Plan
- Business Protection Plan (Key Person)
- Business Endowment Plan

What will happen if I exercise this option?

To confirm the payment frequency options available, please call your Adviser, or call us on **0800 808 267** or email askus@resolutionlife.co.nz

You can request to change the period for which your premiums are payable under your policy either in writing or by phone (if by phone, policy owner identification questions will be asked). Changing your payment frequency will result in a change to your premium amount. If you currently pay yearly and request to change your premium frequency to monthly, the (monthly) premium will include a loading to reflect the fact that the premiums are being paid monthly rather than annually in advance. Please note that if your annual premium is less than \$100, not all premium frequency options are available.

Upon acceptance of your request, we will issue a letter confirming your new premium amount and frequency.

Make policy paid up

The following policies can be made paid up, allowing you to pay no more premiums:

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan
- Endowment Plan

- Children's Endowment Plan
- Pure Endowment Plan
- Business Protection Plan (Key Person)
- Business Endowment Plan

This option is available if your plan has been in force for at least two years and is subject to our acceptance.

What will happen if I exercise this option?

Once your policy has been made paid up, the alteration cannot be reversed. As requesting this option could have a significant impact on the maturity value of your policy, we recommend that you talk to your Adviser before deciding whether this option is right for you.

If you request to make your policy paid up, and you meet the relevant requirements, the impact on your policy will be as follows:

- Your existing policy sum insured cover will reduce;
- The value of future bonuses (if applicable) will reduce due to the reduced sum insured;
- If there is a premium debt on the policy, bonuses or existing sum insured (or both as we determine), will be cashed to clear the debt before the policy is made paid up;
- Cover under supplementary insurance benefits (if applicable) will be cancelled and insurance cover will end;
- Your premiums will change to nil.

To request to make your plan paid up, you and/or your Adviser are required to contact us. Upon request, we will issue a quotation which can include an illustration showing the new maturity value based on current illustrative bonus rates. Actual bonus rates are subject to change.

If you accept the terms outlined in the quotation, all policy owners are required to sign and return the 'Request to alter policy to paid up' form enclosed with the quotation, within 21 days. Subject to our receipt and acceptance of your alteration request, we will make your plan paid up and will issue a new Policy Schedule. Once your plan has been made paid up, you will not be required to pay a premium.

Reinstatement of your policy

If your policy is cancelled, you can apply to have it reinstated up to 13 months after the cancellation date. You can apply to have the following policy types reinstated:

- Lifestyle Whole of Life Plan
- Children's Whole of Life Plan
- Endowment Plan
- Children's Endowment Plan
- Pure Endowment Plan
- Business Protection Plan (Key Person)
- Business Endowment Plan

Applications for reinstatement are considered on a case-by-case basis. If your policy is cancelled for 60 days or more, new health evidence on the life insured is required for reinstatement. In all cases, the policy cannot be reinstated until the required payment is made and reinstatement is approved by us.

What will happen if I exercise this option?

If you apply to reinstate the policy within 13 months of the cancellation date, we may agree to reinstate it, subject to assessment of any new health evidence required and payment of the required premium.

The policy (including the sum insured cover) cannot recommence until the required payment is made and reinstatement is approved by us. If the policy is reinstated, the policy will recommence from the date specified and new terms and conditions may be applied, including where the policy has been in force for less than two years. Any debts that existed on the policy will also be reinstated.

If you wish to apply to have the policy reinstated, a minimum payment is required and the life insured may be required to provide new health evidence on an Application form, available from your Adviser. Subject to our acceptance of reinstatement of the policy, you will receive written confirmation that cover under your existing policy has recommenced.

Section B:

**Goldline, Flexipol
& Link-Save plans**

Important note

On 30 September 2016, the following superannuation schemes were restructured and wound up:

- **Goldline Personal Superannuation Plan**
- **Goldline Premier Superannuation Plan**
- **Goldline Locked-In Superannuation Plan**
- **Goldline Personal Superannuation Plan**
- **Goldline Locked-In Personal Superannuation Plan**
- **Flexipol Superannuation Plan**
- **Linksave Pension Plan**

To remove the complexity of complying with the FMCA legislation that applies to registered superannuation schemes from 1 December 2016, it was decided to wind up the superannuation schemes and transfer the ownership of the life policy to individual members. The change resulted in the members no longer being in a registered superannuation scheme, and as a result the names of the above plans have had 'Superannuation' removed to reflect the change in status e.g. the former 'Goldline Personal Superannuation Plan' is now referred to as the 'Goldline Personal Plan'.

This structure change did not alter any of the terms and conditions of the investments. The investments, underlying funds and any insured benefits continue as previously. This following information is valid for these previous superannuation schemes.

Change contractual premium

The following plans allow you to apply to increase or decrease your contractual premium, or to increase or decrease your insurance and/or investment premium separately:

- **Goldline Original**
- **Goldline III**
- **Flexipol**
- **Link-Save**

Your contractual premium is what you have contracted to pay for your plan. It is used to quote future values as shown on your Annual Statement, on the assumption that your on-going contributions will be made at your contractual premium amount. If you request to increase your contractual premium, this will result in you paying a higher premium and more funds will be put towards the investment. If you request to decrease your contractual premium, this will result in you paying a lower premium therefore a lower amount of funds will be put towards the investment.

You can choose to pay an amount higher or lower than your contractual premium on an ad-hoc basis. If you want to change the amount of your premium payment,

unless you pay by Direct Debit, you can adjust your payment amount accordingly.

What will happen if I exercise this option?

The impact of increasing or decreasing your contractual premium or your premium payment is different depending on your plan type. To check whether a Goldline plan is a Goldline Original or Goldline III plan, please call your Adviser or alternatively, call us on **0800 808 267**.

Goldline Original and Flexipol plans

If you request to increase or decrease your premium (i.e. the amount you're paying towards your plan), this will automatically increase or decrease the future investment values of your plan. The insurance and the investment premium are combined and the premium amount will be increased or decreased accordingly. An increase or decrease in the premium can be offset by an increase or decrease to the policy sum insured.

To apply to increase or decrease your contractual premium, you will be required to complete a Flexipol Increase Application form or a Goldline Increase form (as applicable). Subject to our acceptance, you will receive a confirmation letter and Policy Schedule, confirming when the new premium starts.

Goldline III plans

The investment premium and the insurance premium (if insurance applies to your plan) are separate, therefore can be increased or decreased independently of each other, or both at the same time. If you request to increase or decrease your investment premium, this will automatically increase or decrease the future investment values of your plan. If you have an insurance benefit on your policy, you can apply to increase or decrease your insurance premium in order to increase or decrease the amount of cover under the benefit (please refer to the 'Change insurance sum insured' section on page 19).

To apply to increase or decrease your investment and/or insurance premium, you will be required to complete a Goldline Increase form (as applicable). Subject to our acceptance, you will receive a confirmation letter and Policy Schedule, confirming when the new premium starts and the new sum insured (if applicable).

Link-Save plans

If you pay more than your contractual premium, this will result in either realised units debt being repaid or additional single premium units being added to your plan and will increase the death benefit payable under your plan.

If you pay less than your contractual premium, this will result in a debt being created in the realised units account, and will reduce the death benefit payable under your plan.

If you request to increase or decrease your contractual premium, this will automatically increase or decrease the potential future investment and the sum insured (if applicable).

If you decrease your contractual premium, this will reduce both the immediate investment account balance of your plan and the potential future investment, however the cash value of your plan (payable upon surrender) will remain unaffected.

To apply to increase your contractual premium, you will be required to complete a Link-Save Increase form. To apply to decrease your contractual premium, you will be required to provide a letter of request. Subject to our acceptance, you will receive a confirmation letter and Policy Schedule, confirming when the new premium starts.

Exercise existing plan benefits

The following options are available on certain plans and can be exercised under the terms and conditions specified below and within your Policy Document.

Cash out options

Requesting cash balance

You can request that the current cash balance (accumulation less the cash value charge) be paid out at any time. Fund returns for Goldline, Flexipol and Link-Save (including the unit exit price as at the end of the previous month) are currently published monthly on our web site at resolutionlife.co.nz under Investments>Unit Prices and Investment Returns>Goldline, Flexipol and Link-Save (refer to 'Fund Returns').

The following plans allow you to request to receive cash out of your plan:

- **Goldline Original**
- **Goldline III**
- **Flexipol**
- **Link-Save**

To apply for a withdrawal on Goldline III plans, the plan is required to have been in force for at least two years and a minimum and maximum withdrawal amount applies. For Link-Save plans, an administration (exit) fee applies for full withdrawals (and may also apply to other plans).

Returns for the current month are available by contacting us on **0800 808 267** or email askus@resolutionlife.co.nz

What will happen if I exercise this option?

Withdrawing part of the cash balance of your plan will leave the plan in force but the maturity value of your plan will be lower (or nil). Withdrawing all of the cash balance of your plan will result in the cancellation of your plan. Before deciding whether to request cash from your plan, we recommend that you talk to your Adviser about your current needs and goals and any alternative options.

To request a partial withdrawal, you or your Adviser will be required to contact us and we will issue a letter confirming your request, including the current cash value of your plan, the amount available for maximum withdrawal and a Cash Withdrawal form. If you accept

the terms of the letter, all policy owners will be required to sign it and return it to us, including a deposit slip for processing. To request a full withdrawal, you will be required to complete a Surrender Discharge of policy form, available on request from your Adviser.

Subject to our acceptance of the withdrawal application your withdrawal request will be processed and paid to the bank account requested.

Change insurance sum insured

If you have certain supplementary insurance benefits on your plan, you can apply to increase (or decrease) the amount of cover available under these benefits.

Increases to cover require the person insured to provide new health evidence and will require payment of an additional premium. Increases and decreases must also be above the minimum sum insured and/or premium requirements. On some plans, insurance benefits are linked, therefore restrictions on the types of benefits that can be increased may apply. Age limits also apply.

Depending on the type of cover you need, you may want to consider more modern alternatives - please ask your Adviser for details.

The types of insurance benefits that you can apply to be increased or decreased are as follows:

- **Decreasing Insurance benefit**
- **Death cover (including Level, Stepped or Variable covers)**
- **Disablement cover (including any or own occupation covers)**
- **Trauma (including Level, Stepped or Variable covers)**

What will happen if I exercise this option?

If you request to increase the sum insured cover under your existing plan benefit, we will require new health evidence, requiring the life insured to complete a new Application form, available from your Adviser. Subject to acceptance, the increase will be processed, and the life insured will be covered for a higher amount under the existing benefit which has been increased (as described within your Policy Schedule). You will be required to pay an increase in premium for the increase in cover, based on current premium rates, terms and conditions.

If you request to decrease the sum insured cover under your existing plan benefit, we will require a letter of request signed by all policy owners. Subject to our acceptance, the decrease will be processed, and the life insured will have less cover under the

benefit which has been decreased (as described within your Policy Schedule). As a result, your premium will generally decrease.

Subject to our acceptance, your existing benefit cover will be increased or decreased and we will issue a new Policy Schedule.

Convertibility of plan benefits

If your existing plan no longer meets your needs, before your plan ends and before the life insured is age 60, you can apply to convert the cover under your plan (as defined below for each plan type), to Term insurance. This option is available on a case-by-case basis, subject to our current business rules and must be above minimum sum insured requirements. Currently, the cover under the following plans can be converted:

- **Goldline Original**
- **Goldline III**
- **Flexipol**
- **Link-Save**

The amount of cover that can be converted (defined as the 'sum at risk') is different depending on your plan type and is determined by us. A quotation of convertible cover is available upon request. Current guidelines on convertible cover for each plan type are below.

Goldline Original and Goldline III Investment and Protection and Flexipol Ordinary Plan sum at risk

To check whether an existing Goldline Plan is a Goldline Original or Goldline III Plan, please contact your Adviser or alternatively, contact us on **0800 808 267**.

For Goldline Original and Flexipol Ordinary Plans with Variable Death Cover, the sum at risk is generally the plan sum insured, less the current cash balance. For Goldline Original plans with Level Death Cover, the convertible cover is the existing Level Death Cover sum insured.

For Goldline III Plans, the sum insured is the existing insurance benefit sum insured. Please note that not all Goldline III Plans have insurance benefits. If you are unsure, please check your Policy Schedule.

Link-Save Plan sum at risk

For Link-Save Plans, the sum at risk is determined by us and is based on the plan sum insured less the current gross surrender value.

What will happen if I exercise this option?

Converting the insurance benefit/s on your plan to Term insurance will result in cancellation of the existing insurance benefit/s on your plan. For Goldline and Flexipol Plans, this will result in the plan changing to investment only.

For Link-Save Plans, as the insurance premium is built into the overall premium, conversion of insurance benefit/s will require your plan to be made paid up. In this case, the insurance and contractual premium will be removed, or your plan will be surrendered (cancelled) and the current cash balance of your plan will be paid to you.

In all cases, the new insurance benefit/s may have new terms applied and will require you to pay a new premium.

We recommend that you talk to your Adviser about whether converting the insurance benefits on your plan is right for you.

A quotation showing the amount of cover that is available for conversion is available upon request. You can request an illustration of a new Term insurance policy, including the sum insured and premium, from your Adviser.

If you apply to convert insurance benefits on your existing plan, the life insured may be required to provide health evidence and complete an Application form, available from your Adviser. Subject to our acceptance, you will receive confirmation that your existing plan has been cancelled and a Policy Schedule and Policy Document confirming your new insurance.

Policy linkage

If you have more than one Goldline Plan, you are able to link one plan to another plan of the same product type, and nominate which is to be the primary policy. This option is only available on Goldline III Plans. To confirm whether your existing Goldline Plans can be linked, you can call us on **0800 808 267**.

What will happen if I exercise this option?

If you request to exercise this option, you will be required to choose which is to be your primary policy.

Subject to our acceptance, you will be charged a single policy fee across all linked policies, enabling your total contractual premium to be lower than if the policies were held separately, in which case a policy fee would generally be applied to each. This will be reflected in your new Policy Schedule, which will show which is the primary and which is the linked policy.

Premium freeze option

If you have a Goldline III Plan that has an existing Stepped Death Cover benefit, you can request to freeze the insurance premiums on your plan.

Please refer to your Policy Document and Policy Schedule to determine whether this option applies to your plan, and for information on the insurance benefit/s that apply. If you request this option, your insurance benefit sum insured will reduce each year (to cover the cost of providing cover as the life insured's age increases) and your premium will stay the same.

What will happen if I exercise this option?

If you request to exercise this option, we will keep your premiums the same for the remainder of the term of your policy. Your insurance benefit sum insured will reduce, which means you will have less insurance cover as you get older, and inflation increases will end.

You will be able to request to remove the premium freeze at any time, in which case the benefit sum insured will remain at the reduced level and automatic inflation increases can restart (if eligible).

To request this option, we will require a letter of request and subject to our acceptance, we will issue a new Policy Schedule.

Terminal illness benefit

The following policies allow you to bring forward the payment of a benefit that would otherwise be payable on the life insured's death:

- **Goldline Original**
- **Goldline III**
- **Flexipol**
- **Link-Save**

This option is available on the insurance component or insurance benefits (if applicable) on your plan. The Terminal Illness benefit is an advance payment of the amount that would be payable upon the life insured's death if the life insured suffers a terminal illness, which is confirmed by unequivocal medical evidence (as defined in your Policy Document).

What will happen if I exercise this option?

If you apply to exercise this option, subject to our acceptance of your claim, we will pay an amount up to the amount that would have been paid if the life insured had died (payment may be subject to a maximum payment level).

If the full amount of cover is paid out upon terminal illness, the insurance cover under your policy will end.

Exercising supplementary plan benefits

If one or more of the following benefits apply to your plan, you can choose to exercise the benefit when the life insured is of certain age/s or under the terms and conditions specified in your Policy Document. The maximum amount of benefit cover is shown in your Policy Schedule. Exercising these benefits will result in an increase to your premium.

To check whether your plan has any of these benefits, please refer to your Policy Schedule. Wherever a new policy is issued, it must be above minimum sum insured requirements and current premium rates apply.

Benefit Booster option

This benefit only applies to some Flexipol Plans and if it applies, will be shown in your Policy Document. If your plan has this benefit, you can apply to increase your premium (with or without an increase to your Death or Disablement benefit sum insured) on each benefit booster date (each successive 5th policy anniversary), up to the life insured's 40th birthday.

Availability of this option is subject to terms and conditions and eligibility criteria, including the current cash balance of your plan being less than the sum insured. As such, it is offered on a case-by-case basis.

Increases to the Death benefit sum insured require the life insured to provide new health evidence and if accepted, to pay an additional premium. The increase must be above the minimum sum insured and/or premium requirements and is subject to maximum limits specified within the Flexipol Policy Document.

What will happen if I exercise this option?

If you apply to increase your plan premium and not the Death benefit sum insured, the life insured will not be required to provide health evidence. If you apply to increase the Death benefit, we will require the life insured to provide new health evidence on an Application form, available from your Adviser.

Subject to our acceptance, the increase will be processed and we will issue a new Policy Schedule. Your new plan premium will include the cost of the increase.

Buy-Back option

This benefit only applies to plans that have both Trauma and Trauma Buy-Back benefits. If it applies, the option will be shown on your Policy Schedule. If your plan has this benefit and if we accept and pay a claim under your existing Trauma benefit, you can apply for insurance on the life insured one year after we accept the claim. The new insurance must be above the minimum sum insured and/or premium requirements. The maximum amount of cover available is your Trauma benefit Buy-Back sum insured shown in your Policy Schedule and based on the amount paid to you under the Trauma claim.

What will happen if I exercise this option?

If you apply to exercise the option, the life insured will not be required to provide full new health evidence (however certain lifestyle questions will be asked).

You may be required to pay an additional premium for the new cover, for which a quotation is available from your Adviser.

Subject to our acceptance, the new cover will be applied and we will issue a new Policy Schedule.

Continuation option

This option only applies to some Flexipol Plans that have an existing Death cover benefit. If the option applies, it will be shown on your Policy Schedule or Annual Statement, including the option expiry date.

If your plan has this option, you can apply to extend the sum insured cover under your existing Death benefit, up to the life insured's 95th birthday for Ordinary Plans or up to their 75th birthday for other Plans.

What will happen if I exercise this option?

If you apply to exercise this option, full new health evidence will not be required, however certain health questions will be asked, in accordance with policy terms and conditions. Extension of the Death benefit sum insured requires payment of an additional premium.

Subject to our acceptance, the extension in cover will be processed and we will issue a new Policy Schedule. Your plan premium will include the cost of the extended cover, through to the new Death cover benefit expiry date.

Convertibility of insurance benefit

Please refer to 'Convertibility of plan benefits' section on page 19.

Cost of Living increase (decline and restart)

This option may apply to any Goldline or Link-Save Plan.

If an automatic Cost of Living increase is shown as 'active' on your Policy Schedule, your premium is increased on each policy anniversary date up to age 60 for Link-Save Plans (or as specified in your Policy Schedule). The amount of the annual increase is set by us and is based on movements in the Consumer Price Index (CPI). The increase is applied at a minimum level of 3% per annum (subject to being within maximum sum insured requirements).

If you pay your premiums by direct debit and you take no action to the contrary, your premium will increase and the amount of the increase will be shown on your Inflation Adjustment Notice and Bonus Certificate. If you pay your premiums by a different method, to have Cost of Living increases applied, you are required to pay the premium amount shown on your Inflation Adjustment Notice. You can choose to decline a Cost of Living increase in any given year.

What will happen if I exercise this option?

If you decline a Cost of Living increase, it will not be applied to your premium, therefore the funds put towards investment, and the amount of insurance cover, will stay the same. To decline a Cost of Living increase, you will be required to provide a written request at least 10 days before your policy anniversary date. If the life insured is under age 60, you can request in writing to recommence Cost of Living increases, in which case increases will be re-started, subject to the life insured providing satisfactory health evidence on an Application form, available from your Adviser.

Cost of Living round up

If Cost of Living increases apply to your plan (please refer to 'Cost of Living increase (decline and restart)', you can apply through your Adviser to 'round up' your contractual premium to the nearest whole dollar value. The amount by which you can round up your premium depends on your premium payment frequency. Current rules for round ups are available from your Adviser and are subject to change. If you pay your premium monthly you can round up your monthly premium to the nearest \$10, and add up to \$5 extra.

What will happen if I exercise this option?

Upon the advice of your Adviser, you may consider this option if you would like to increase the funds available

for investment, and to increase the amount of your insurance cover (if applicable). If you request to round up your premiums, your contractual premium will be re-calculated in accordance with current round up rules and will increase by the amount of the round up (the round up increase will be applied on top of the annual inflation increase).

For Goldline Plans, if you request for the round up to include cover under existing plan benefits (if applicable), the increase in cover will be based on the amount of the premium round up, according to the amount of cover that can be purchased under current premium rates.

For Link-Save Plans, an increase to the contractual premium as a result of a CPI round up will automatically increase the sum insured under your plan, according to the amount of cover that can be purchased under current premium rates.

Subject to our acceptance, your contractual premium (and sum insured if applicable) will be adjusted and we will issue a new Policy Schedule confirming your new premium and benefit cover (if applicable).

Cover Booster option

This benefit only applies if you have a Flexipol Plan that has a supplementary Death or Disablement benefit, as shown on your Policy Document. If your plan has one or more of these benefits, you can apply to increase your Death or Disablement benefit sum insured after the first benefit booster date (each successive 5th policy anniversary), or upon the life insured's marriage, birth or legal adoption of a child or the start of an increase in any mortgage of the life insured, up to their 40th birthday.

Availability of this option is subject to terms and conditions and eligibility criteria, including the current cash balance of your plan being less than the sum insured. As such, it is offered on a case-by-case basis.

The maximum increase available is to a maximum of four times the existing Death or Disablement benefit sum insured, or twice the Flexiboost limit for the benefit as shown in your Policy Document. A maximum increase of \$225,000 applies to the Disablement benefit and the sum insured of this benefit must be equal to or lower than the Death benefit sum insured.

What will happen if I exercise this option?

If you apply to increase your Death or Disablement benefit sum insured, the cover under your benefit/s will be increased, subject to providing satisfactory evidence of the one of the events listed above (as defined in your Policy Document). Subject to our acceptance,

the increase will be processed and we will issue a new Policy Schedule. Your new plan premium will include the cost of the increase.

Decreasing Insurance benefit

This benefit only applies if you have a Link-Save Plan that has a Decreasing Insurance benefit, as shown on your Policy Schedule. If your plan has this benefit, you can apply for a new Whole of Life, Endowment or Term insurance policy (if specified in your Policy Document), or you can replace your existing benefit with another policy (as determined by us and available upon request), up to policy anniversary date before the life insured reaches age 50. Currently, as an alternative to a new policy, you can apply for the new replacement cover to be provided by way of an increase to the sum insured on an existing policy or plan on the same life insured.

The cover available is a sum insured up to the value of your current Decreasing Insurance benefit (the benefit sum insured must be greater than \$2,000).

Acceptance is subject to meeting the minimum sum insured and/or premium requirements of the new policy. Full new health evidence is not required, however health questions may be asked in accordance with current terms and conditions of the new policy.

What will happen if I exercise this option?

You can request an illustration of a new Whole of Life, Endowment or Term insurance policy from your Adviser, showing your new premium, sum insured and estimated maturity value (not applicable for Term insurance). Illustrations on Whole of Life and Endowment policies are based on current illustrative bonus rates. Actual bonus rates are subject to change.

If you request to exercise your option by taking out a new policy, you will be required to complete an Application form, available from your Adviser. Subject to our acceptance, we will issue (in addition to your current plan) a new Whole of Life, Endowment or Term insurance policy and you will receive a new Policy Schedule and Policy Document.

If you request to exercise your option by increasing the sum insured on an existing policy of the same life insured, subject to our acceptance, we will issue a letter, including a Policy Schedule and Illustration Advice showing your policy sum insured, premium amount and policy maturity value. Illustrations are based on current illustrative bonus rates. Actual bonus rates are subject to change.

As exercising the option as an increase to your sum insured will result in an increase to your premium, you will have 14 days from the date you receive the letter to return the documentation to us with a written request to cancel your request to exercise the option. If you decline the increase within this period, the increase to your existing policy will be reversed and any resulting increase in premium that you have paid will be refunded.

Future Death cover option

This benefit only applies if you have a Goldline Original Plan that has a Future Death Cover option, as shown on your Policy Schedule.

If your plan has the Future Death Cover option, you can apply for new insurance (as determined by us - current options are available upon request) on the life insured, subject to meeting the minimum sum insured and/or premium requirements of the new policy, up to a maximum amount of the Future Death cover shown in your Policy Schedule. Future Death Cover for adults enables new insurance to be requested in 3-yearly intervals, with a maximum of 5 option dates available and the option expires at age 45. For children, this option enables new insurance to be requested between the ages of 10 and 30.

Full new health evidence is not required, however certain health questions will be asked, as stated in your Policy Document and in accordance with current terms and conditions of the new policy.

What will happen if I exercise this option?

You can request an illustration of a new Term insurance policy from your Adviser, showing your new premium and sum insured.

If your plan has Future Death cover for children and you exercise this option, the amount of cover available under this option will reduce by the amount of new cover taken.

If you request to exercise your option by taking out a new policy, you will be required to complete an Application form, available from your Adviser. Subject to our acceptance, we will issue (in addition to your current plan) a new insurance policy and you will receive a new Policy Schedule and Policy Document.

If you request to exercise your option by increasing the cover under your existing plan, subject to our acceptance, we will issue a new Policy Schedule.

Future Insurability benefit

This benefit only applies if you have a Link-Save Plan that has a Future Insurability benefit, as shown on your Policy Schedule.

If your plan has this benefit, you can apply for a new Whole of Life, Endowment or Term insurance policy (where specified in your Policy Document), or you can replace your existing benefit with another policy (as determined by us - current options are available upon request). Currently, as an alternative to a new policy, you can apply for the new replacement cover to be provided by way of an increase to the sum insured on an existing policy or plan on the same life insured.

You can exercise the option at certain option dates as described in your Policy Document, (which, if falling due in the next 5 years, can be brought forward upon the life insured's marriage, birth or legal adoption of a child and exercised within 3 months of the event), for a sum insured up to the value of your Future Insurability benefit. Generally, this benefit expires on or before age 41, depending on the age of the life insured when your policy commenced.

Acceptance is subject to meeting the minimum sum insured and/or premium requirements of the new policy. Full new health evidence is not required, however certain health questions may be asked, as stated in your Policy Document and in accordance with current terms and conditions of the new policy.

What will happen if I exercise this option?

Before each option date, you and your Adviser will receive written notification that the Future Insurability benefit option can be exercised.

You can request an illustration of a new Whole of Life, Endowment or Term insurance policy from your Adviser, showing your new premium, sum insured and estimated maturity value (not applicable for Term insurance). Illustrations on Whole of Life and Endowment policies are based on current illustrative bonus rates. Actual bonus rates are subject to change.

If you request to exercise your option by taking out a new policy, you will be required to complete an Application form, available from your Adviser. Subject to our acceptance, we will issue (in addition to your current plan) a new Whole of Life, Endowment or Term insurance policy and you will receive a new Policy Schedule and Policy Document.

If you request to exercise your option by increasing the sum insured on an existing policy of the same life

insured, subject to our acceptance, we will issue a letter, including a Policy Schedule and Illustration Advice showing your policy sum insured, premium amount and policy maturity value. Illustrations are based on current illustrative bonus rates. Actual bonus rates are subject to change. As exercising the option as an increase to your sum insured will result in an increase to your premium, you will have 14 days from the date you receive the letter to return the documentation to us with a written request to cancel your request to exercise the option. If you decline the increase within this period, the increase to your existing policy will be reversed and any resulting increase in premium that you have paid will be refunded.

Make your plan paid up & premium holiday option

You can apply to pay no further premiums, therefore making your policy paid up. Alternatively, as a short-term option, you can apply for a premium holiday. The following plans enable you to apply to make them paid up for a premium holiday:

- Goldline Original
- Goldline III
- Flexipol
- Link-Save
- Link-Save Plus Plan (premium holiday option only)

Make your plan paid up

This option is available if your plan has been in force for at least two years and your plan has sufficient cash balance to fund the charges.

What will happen if I exercise this option?

As exercising this option could have a significant impact on the maturity value of your plan, we recommend that you talk to your Adviser before deciding whether this option is right for you.

If your plan is made paid up, the impact on your plan will be as follows:

- The current cash balance and future growth of your plan will reduce due to no future premiums going towards the investment (and due to the cost of charges being funded from the current cash balance);
- On Link-Save Plans, the investment account balance (plan value) will reduce and insurance cover will be cancelled. Once the plan has been made paid up, the alteration cannot be reversed;

- On Goldline and Flexipol Plans, the value of the inbuilt insurance or supplementary insurance benefits (if applicable to your plan and where retained), will continue to be charged against the investment account balance. If the current account balance is insufficient to fund the on-going insurance and administration charges, the plan will be cancelled and cannot be reinstated;
- On Goldline and Flexipol Plans, existing insurance benefit/s (if applicable) can be cancelled as part of making the plan paid up. If you request that the cancellation be reversed, full new health evidence will be required to reinstate existing benefits; and
- Your premiums will change to nil.

Further information about the effect of making your plan paid up, in accordance with your plan type, current cash balance and the contractual premium currently paid by you, is available upon request.

To request to make your plan paid up, you and/or your Adviser will be required to send a written request and we will issue a letter confirming that we've received your request, including a summary of the impact on your plan and a formal alteration request. If you accept the terms outlined in the letter, you (and any other policy owners) will be required to sign and return the alteration request to us for processing within the time specified. Subject to our acceptance, we will make your plan paid up. Once your plan has been made paid up, you will not be required to pay a premium.

Premium holiday option

This option enables you to apply to put your plan premiums temporarily on hold.

You can apply to put your plan premiums temporarily on hold. Depending on the length of the premium holiday, requesting this option could have a significant impact on the maturity value of your plan. We recommend that you talk to your Adviser before deciding whether this option is right for you.

Acceptance of an application for a premium holiday is provided on a case-by-case basis and is subject to your plan having a sufficient cash balance. A fee will apply and depending on your plan type and contractual premium, other conditions may also apply.

What will happen if I exercise this option?

If you apply for a premium holiday and you meet the relevant requirements, the impact on your plan will generally be as follows:

- The growth in your investment will reduce, due to the cost of charges being funded from the current cash balance of your plan;
- A fee will be applied, reducing the cash balance of your plan;
- Your plan maturity value will be less; and
- No payment of premiums will be required during the premium holiday period.

In addition to the above impacts, the following impacts apply to individual plans:

Goldline and Flexipol Plans

Where the current account balance is insufficient to fund the on-going insurance and administration charges, the plan will be cancelled and cannot be reinstated.

Link-Save Ordinary Plans

During a premium holiday, the premiums due will result in a debt being created against your plan, which will reduce the amount of life cover (if applicable) paid upon death. If the debt becomes greater than the plan cash value, the plan will be cancelled.

Link-Save Plus Plans

During a premium holiday, the premiums due will result in a debt being created against your plan, which may reduce the amount of life cover (if applicable) paid upon death.

To apply for a premium holiday, you and/or your Adviser will be required to send a written request and if we accept your request, we will issue a letter confirming that premiums are suspended. Subject to our acceptance, you will receive regular reminder letters to restart your payments, including a Direct Debit form. You will not be required to pay a premium during the agreed premium holiday period.

Reinstatement of your plan

If your plan is cancelled, you can apply to have it reinstated up to 13 months after the cancellation date. The following plan types allow you to apply to have them reinstated:

- **Link-Save**

Applications for reinstatement are considered on a case-by-case basis. If your policy is cancelled for 60 days or more, if your plan has insurance benefits, new health evidence on the person insured is required for reinstatement. In all cases, the plan cannot be reinstated until the required payment is made and reinstatement is approved by us.

What will happen if I exercise this option?

If you apply to reinstate the plan within 13 months of the cancellation date, we may agree to reinstate it, subject to assessment of any new health evidence required for insurance benefits, and payment of the required amount.

The plan (including any insurance benefits) cannot recommence until the required payment is made and reinstatement is approved. If the plan is reinstated, the plan (including cover under any insurance benefits) will recommence from the date specified and new terms and conditions may be applied.

If you wish to apply to have the plan reinstated, you will be required to send a letter of request and to pay a minimum payment, to be confirmed by us. Additionally, to recommence insurance benefits, the person insured may be required to provide new health evidence on an Application form, available from your Adviser. Upon acceptance of reinstatement of your plan, you will receive written confirmation that your plan has re-started.

Switch between investment portfolios

The following plans allow you to request to switch the investment portfolios in which your premium contributions are invested, to enable the investment under your plan to change in line with your needs:

- **Goldline Original**
- **Goldline III**
- **Flexipol**
- **Link-Save**

You have the option to switch your investment funds within your plan. For example, there are four investment alternatives currently available for Goldline III (Goldline) Investment and Protection Plans: Balanced, Aggressive, Spread Managers and Protected.

To find out more about each type of investment portfolio available under your plan, including any special features or restrictions that apply, please call your Adviser. To check your plan type, please refer to your Policy Document and Schedule, call us on **0800 808 267** or email askus@resolutionlife.co.nz

It is important to choose an investment portfolio that reflects your attitude to risk and your savings goals. A broad overview of investment portfolio types, including fund returns for Goldline, Flexipol and Link-Save are currently published monthly on our website at resolutionlife.co.nz under

Investments>Unit Prices and Investment Returns >Goldline, Flexipol and Link-Save. Balances are as at the end of the previous month.

What will happen if I exercise this option?

Please talk to your Adviser about the range of investment options currently available, in line with your current needs and savings goals.

A switch to a new investment portfolio will result in all of the existing investment units (and future premium contributions) being transferred to the new portfolio. Your fund will be exposed to a different level of risk and different unit prices, fees and charges will apply (depending on the type of portfolio that premiums under your plan have been switched to).

Subject to our acceptance, your investment funds will be switched and you will receive written confirmation of the change to your plan including a new Policy Schedule. Further detail about the impact of exercising this option on specific plans is below.

Goldline and Flexipol Plans

When a switch between investment portfolios is processed, the exit price and the entry price are both based on the selling price. As a result of switching investment portfolios, the number of investment units under your plan will change. You will be able to specify a percentage of your future premium contributions to be transferred to a new portfolio, based on a minimum of 20% of your premium contribution in each portfolio or a dollar amount of the current balance of your plan to be transferred to a new portfolio. A minimum switch amount of \$500 may apply. Future premium contributions (as specified by you) will be directed into your new chosen investment portfolio/s.

Link-Save Plans

When a switch between investment portfolios is processed, the existing plan units are released at the current sell price and the new units are purchased at the current buy price. As a result of switching investment portfolios, the number of investment units under your plan will change and will be based on the buy price in the chosen portfolio.

Only one portfolio (either the Managed Portfolio or the Low Risk Portfolio), can be chosen at any one time. If you wish to exercise this option, you and your Adviser will be required to complete a Goldline or Flexipol Policy Amendment Advice form, or for Link-Save, a letter of request specifying the fund type and acknowledging the buy/sell margin change.

Further information

If you want more information about any of the options listed in this guide, please contact your Adviser.

General questions

For general questions about your policy or plan or to enquire about a replacement Policy Document, please call us on 0800 808 267 or email us at askus@resolutionlife.co.nz

A disclosure statement is available from your Adviser on request and free of charge.

Resolution Life Australasia Limited ABN 84 079 300 379 (Resolution Life), Floor 15, 125 Queen Street, Auckland Central, Auckland 1010, is incorporated in Australia, operates in New Zealand and is part of the Resolution Life Group.