



BOC Limited and Elgas New Zealand

Free Death and Disablement Insurance Cover for Employees Contributing to KiwiSaver

Benefits

The Group Life insurance policy has been established by BOC Limited ("BOC") to provide a benefit to you or your family in the event of the following:

- Death; or
- Terminal Illness; or
- Total and Permanent Disablement ("TPD")

The benefit is equal to the greater of

- 1 times your annual salary, or
- 15% of your base salary for each year and complete month between the date of your death, terminal illness or TPD, and the date of your 65th birthday.

Benefit Summary

The following benefits will be provided to BOC and Elgas employees who are contributing to KiwiSaver:

| Level of Benefit: | |
|--|---|
| Death & TPD | The greater of: 1 times annual salary, or 15% times annual salary times complete years and months to age 65 |
| Automatic Cover: | |
| Death & TPD | Up to \$600,000 <i>(Note this limit is subject to review by the insurer from time to time).</i> |
| TPD Waiting Period: | |
| | Three months |
| Maximum Age: | |
| | 65 |
| Maximum Benefit: | |
| Death & TPD | \$2,000,000 |
| Premium Costs: | |
| BOC currently meets all costs associated with Group Life & TPD insurance cover for all employees who are contributing to KiwiSaver | |
| Insurer: | |
| Sovereign | |
| Policy Administrator: | |
| Mercer Marsh Benefits ("MMB") | |

Eligible Employees

Most permanent full time and part time employees between the ages of 16 and 65 who contribute to KiwiSaver through BOC or Elgas Payroll are eligible for this insurance benefit.

Employees who are members of the BOC NZ Retirement Plan have insurance arrangements through that scheme and are not eligible for the insurance related to KiwiSaver membership described in this leaflet, even if they also contribute to a KiwiSaver account.

You must be working 15 or more hours per week to be eligible for TPD cover.

Policy Definitions

Automatic Acceptance Limit means:

The Automatic Acceptance Limit (AAL) is the maximum level of cover the insurer will provide without you needing to submit evidence of good health. This has initially been set at \$600,000 but may be varied.

If your sum insured exceeds the AAL, you will be required to submit evidence of good health to allow the insurer to assess you for your full benefit entitlement. You will be sent further details if this applies to you.

Total and Permanent Disablement (TPD) means:

You have been absent from your usual employment due to sickness or accident for a minimum period of three consecutive months from the date of disablement and are not currently employed elsewhere; and

Sovereign is satisfied, after consideration of medical and other appropriate evidence, that you have become incapacitated directly as a result of the sickness or accident to such an extent as to prevent you from ever working in any gainful employment for which you are reasonably suited by education, training or experience; or

You suffer the complete and irrecoverable loss of two limbs or the sight of both eyes, or the loss of one limb and the sight of one eye (where the loss is defined as permanent severance or irrecoverable use and limb is defined as a whole hand or foot).

Terminal Illness means:

You have been diagnosed as having a sickness, which in Sovereign's opinion after consideration of unequivocal medical evidence as requested by Sovereign, will result in death within 12 months, regardless of any treatment that may be undertaken.

Other Important Policy Conditions:

Leave of Absence (including Maternity / Paternity leave):

If your unpaid leave is due to sickness or injury, and provided you remain an employee of BOC Limited and do not opt out of KiwiSaver, your insurance cover will continue for up to 24 months. If your unpaid leave is due to other reasons, such as parental leave or temporary absence, provided you remain an employee of BOC and continue to satisfy the insurers eligibility requirements, your insurance cover will continue for up to 12 months.

If you return from leave after the allocated time frames allowed for sickness and other leave, your insurance cover will have ceased and you will be required to submit health evidence to the insurer in order to apply for cover to be reinstated.



CURRENT AT MAY 2016

All effort has been made to ensure that the following information is accurate and correct at the time prepared. The information contained in this summary is to be used as a guide only.

The terms and conditions of the applicable insurance policy with Sovereign will ultimately prevail at all times. The insurer and/or policies may change from time to time as determined by the policy owner, BOC Limited. A copy of the current Policy Document is available on request.

CONTACT MMB FOR MORE INFORMATION

For benefit and policy queries, or for advice about your personal insurances, please email debi.rakanui@marsh.com or you may contact her on (04) 819 2635

For any underwriting or claims queries, please email heather.wheatley@marsh.com or you may contact her on (09) 928 3240

Cover during Overseas Secondments:

If you are a New Zealand permanent resident and you are seconded overseas, cover may continue whilst you are away subject to the insurer's approval prior to departure.

In the event of submitting a claim for terminal illness or TPD whilst based overseas, the insurer may require you to return to New Zealand for medical treatment or assessment. In this instance, the insurer will not pay any costs associated with returning to New Zealand.

Cessation of Cover:

All insurance cover under this policy will cease on the earliest of the following:

- The date you attain the benefit expiry age, which is currently 65;
- TPD cover will cease if your weekly hours reduce to less than 15 hours;
- 45 days after you cease employment with BOC;
- The date you effect a continuation option;
- The expiry date of unpaid leave (24 months from the date leave commenced due to sickness or accident or 12 months from the date leave commenced due to other unpaid leave);
- In the event of your death, or a terminal illness or TPD benefit being paid; or
- The date you cease to be a contributing KiwiSaver member (A contributing KiwiSaver member includes members that are taking a contribution holiday)
- The date the insurance policy is terminated

Your Continued Protection (Continuation Option)

If you terminate employment with BOC or Elgas, an option to continue cover at your own expense is available up to 45 days post termination. Conditions apply and you should contact MMB for further details promptly on termination of employment.

In the Event of a Claim

It is imperative for you to notify your HR Manager or BOC's General Manager, Superannuation Allan Murphy, immediately if you think you may be eligible for a benefit. MMB will then be responsible for managing the claim process.

Frequently Asked Questions



Who is the death benefit payable to?

A payment arising from the death of an employee generally must be paid to the deceased employee's dependants, their legal personal representative (i.e. their estate) or a combination of both. Ultimately, the policy owner (BOC Limited) has full discretion in determining where the benefit will be paid.

What happens if I already have my own life insurance policy?

If you have a personal policy elsewhere, you will need to check the terms and conditions of that other contract. Generally in the event of death, terminal illness or TPD, additional personal policies will not affect the benefit payable under the BOC Limited group policy, i.e. benefits would generally be paid from both policies.

What happens to my insurance cover if I cease to contribute to KiwiSaver?

Being both a BOC employee and a contributing member of KiwiSaver is a condition which must be met for this insurance cover to be provided. If you take a contribution holiday, but remain a BOC employee, insurance will continue to be provided for the period of your contribution holiday.

What if my Death or TPD cover exceeds the AAL and I need to submit further health evidence – what does this involve?

Initially you will need to complete the insurer's Personal Statement which is a disclosure of your current and historical medical background. This statement may lead to the insurance company asking for more information, which may include a medical examination, blood tests and a medical history from your GP. For insurance purposes, there is an acceptable standard of height to weight ratio according to your age, and acceptable levels of alcohol / nicotine / prescribed medication usage. If these standards are not met or exceeded, then insurance cover may only be offered on amended terms or declined altogether.

Why do I need to wait three months before I can claim a TPD benefit?

The TPD benefit is paid in the form of a lump sum. Because of this, the insurer needs to be certain that you meet the definition of TPD before proceeding with the claim. The three month waiting period applies in order to determine if you are totally and permanently disabled or temporarily disabled. If after three months you are still deemed totally disabled, the insurer considers this sufficient time to start assessing your application for a total and permanent disablement claim.