

Policy Document

# Account Protection Plus

Everything you need to know about insurance  
for your Gem CreditLine account



Policies purchased prior to 5 March 2012 are issued by Hallmark Life Insurance Company Ltd. (**Hallmark Life**). Policies purchased from 5 March 2012 are issued by Hallmark Life and Hallmark General Insurance Company Ltd. (**Hallmark General**).

Hallmark Life and Hallmark General are incorporated in Australia and operate in New Zealand.

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Account Protection Plus insurance provides peace of mind when using your Gem CreditLine account. It's like having a friend who'll come to your rescue when things go wrong.

# Policy Information

## Overview

### 1. Why is this booklet important?

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This Policy booklet explains Account Protection Plus, an **optional insurance** that is available to Gem CreditLine account holders. It's important that you read the booklet to help you understand:

- what Account Protection Plus covers and what it doesn't cover;
- whether you are eligible to apply;
- how to apply;
- how much it costs;
- how to make a claim; and
- the terms and conditions of your Policy.

The booklet will also help you make an informed decision about the product. Keep this booklet in a safe place, as you'll need it if you want to contact us or make a claim.

You may be able to arrange insurance through other insurers, and can do so if you wish.

### 2. What is Account Protection Plus and how does it work?

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Account Protection Plus protects you financially by meeting your Gem CreditLine obligations if you lose your job unexpectedly, become too ill to work or you die.

Subject to the Policy terms, conditions and exclusions (see section 8 and 9), Account Protection Plus will:

- pay out the balance owing on your Gem CreditLine account up to \$20,000 if you die (**Death Cover**), are diagnosed with, or operated on for, a critical illness (**Critical Illness Cover**);
- pay an additional benefit equal to the death benefit, paid to your estate, up to a maximum of \$20,000, if your death is a result of an accident (**Accidental Death Cover**);
- pay the monthly repayments on your Gem CreditLine account for up to 3 years, if you become disabled as a result of sickness or injury (**Disability Cover**); and
- pay the monthly repayments for up to a year, if you are involuntarily unemployed (**Involuntary Unemployment Cover**).

Your premium is calculated monthly and is based on the closing balance of your account. So if your balance is zero on the day your statement is printed, you will not be charged a premium that month.

You can take out Account Protection Plus after you've received your new Gem CreditLine card. Just call us on **0800 500 505**.

You'll find more details on how the Policy works and the benefits it will provide on pages 5, 6 and 7 of this booklet.

## Important details

### 3. Cooling off period

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If you change your mind within 30 days of receiving your Policy, and you haven't made a claim, you can cancel your Policy and obtain a full premium refund by phoning 0800 220 999 or writing to us.

To find out more about cancellations, go to page 9.

### 4. Your duty to tell us the truth

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It's very important that you are honest in all your dealings with us. Otherwise you may not receive the full benefits of your policy.

### 5. Your eligibility for this cover

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You can take out Account Protection Plus if you;

- you are 18 years of age or over;
- have a Gem CreditLine account which isn't in arrears; and
- are a resident of New Zealand.

### 6. How to apply

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If you wish to apply for this insurance, simply call **0800 500 505** and ask for Account Protection Plus.

### 7. When the policy starts

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We'll send you a communication confirming you have Account Protection Plus with a date showing when your Policy starts, unless we have told you that it starts on an earlier date.

## Benefits

### 8. What does Account Protection Plus cover?

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It's important to understand exactly what Account Protection Plus will cover you for. In this section you'll find all the details about the benefits we'll pay if you need to make a claim.

## 8.1 Account Protection Plus benefits

Cover	How it works	Limits to the cover and some examples
<b>Death Cover</b> 	<p>If you die, we'll pay the balance owing on your Gem CreditLine account at the date of your death.</p>	<p>We'll pay a maximum of \$20,000.</p> <p><b>For example</b>, if you owe \$11,000 on your account when you die, we'd pay \$11,000 to the account.</p>
<b>Accidental Death Cover</b> 	<p>If you die as a result of an accident, in addition to the death benefit under Death Cover, we'll also pay an amount equal to the death benefit, to your estate.</p> <p>Some circumstances are not covered and these are explained in more detail on page 7.</p> <p>Accidental death is defined on page 11.</p>	<p>We'll pay a maximum of \$20,000.</p> <p><b>For example</b>, if you owe \$11,000 on your account when you die, and your death was an accident, we'd firstly pay the balance owing on your account and then make an additional \$11,000 payment to your estate.</p>
<b>Critical Illness Cover</b> 	<p>If you are diagnosed with, or are operated on for, a critical illness, we'll pay the balance owing on your account at the date of diagnosis or operation.</p> <p>The following are critical illnesses for the purpose of this cover:</p> <ul style="list-style-type: none"> <li>• heart attack;</li> <li>• stroke;</li> <li>• major organ transplant;</li> <li>• kidney failure;</li> <li>• coronary artery disease requiring surgery; and</li> <li>• cancer.</li> </ul> <p>Some circumstances are not covered and these are explained in more detail on pages 7 and 8.</p> <p>Critical illness is defined on page 12.</p>	<p>We'll pay the balance owing up to a maximum of \$20,000.</p> <p><b>For example</b>, if you owe \$11,000 on your account when you are diagnosed with one of the critical illnesses shown in this table, we'd pay \$11,000 to the Gem CreditLine account.</p>
<b>Disability Cover</b> 	<p>If:</p> <ul style="list-style-type: none"> <li>• you had been working at the time of your disablement, and</li> <li>• you are continuously disabled for at least 30 days and unable to work,</li> </ul>	<p>For any one period of disability, the maximum we'll pay under this cover is the lesser of:</p> <ul style="list-style-type: none"> <li>• the closing balance for the statement period immediately prior to the date of your disability, or</li> <li>• 36 monthly benefits.</li> </ul>

## 8.2 Balance Cover Benefits

Cover	How it works	Limits to the cover and some examples
<p><b>Disability Cover (Continued)</b></p> 	<p>we'll pay the monthly benefit calculated at the statement date immediately before the date of the accident, illness or injury causing disability, up to \$600 per month until you return to work.</p> <p>We'll calculate your monthly benefit on a daily basis, for each day you are disabled.</p> <p>Some circumstances are not covered and these are explained on page 8.</p> <p>Disability is defined on page 12, and monthly benefit is defined on page 13.</p>	<p><b>For example</b>, if you are disabled for 8 months and your monthly benefit is calculated at \$200, we'd pay \$1,600.</p> <p><b>For example</b>, if you are disabled for 40 months and your monthly benefit is calculated at \$80, we'd pay \$2,880 (because the maximum period we will pay is 36 months).</p> <p><b>For example</b>, if you are disabled for 10 days, we'd pay nothing because you are not disabled for 30 days.</p> <p>After a period of disability for which a claim has been made, you must have returned to work or self-employment for at least 180 consecutive days to be eligible for a further claim. This period is reduced to 30 days if the earlier period of Disability is not directly or indirectly related to the Disability for the later period.</p>
<p><b>Involuntary Unemployment Cover</b></p> 	<p>If:</p> <ul style="list-style-type: none"> <li>• you had been working for at least 6 consecutive months when you became involuntarily unemployed, and</li> <li>• you are continuously unemployed for at least 30 days,</li> </ul> <p>we'll pay the monthly benefit calculated at the statement date immediately before the date you were notified of your impending unemployment, up to \$600 per month.</p> <p>We'll calculate your monthly benefit on a daily basis, for each day you are unemployed.</p> <p>Some circumstances are not covered and these are explained on pages 8-9.</p> <p>Involuntary Unemployment and monthly benefit is defined on page 13.</p>	<p>For any one period of involuntary unemployment, the maximum we'll pay is the lesser of:</p> <ul style="list-style-type: none"> <li>• the closing balance for the statement period immediately prior to the date of your involuntary unemployment, or</li> <li>• 12 monthly benefits.</li> </ul> <p><b>For example</b>, if you are unemployed for 10 months and your monthly benefit is calculated at \$200, we'd pay \$2,000.</p> <p><b>For example</b>, if you are unemployed for 15 months and your monthly benefit is calculated at \$100, we'd pay \$1,200, because a maximum of 12 monthly benefits apply.</p> <p><b>For example</b>, if you are unemployed for 10 days, we'd pay nothing because you are not continually unemployed.</p>

## 8.2 Important information about these benefits

- The maximum Policy benefit for Death Cover, Critical Illness Cover, Disability Cover and Involuntary Unemployment Cover, in total, is \$20,000. That means you can make multiple claims for these covers, but the most we'll pay is \$20,000 in total.
- The maximum Policy benefit for Accidental Death Cover is \$20,000.
- The maximum Policy benefit period is 36 months for Disability Cover and Involuntary Unemployment Cover combined. That means, if you make multiple disability or involuntary unemployment claims during the period you are insured, we will only ever pay 36 months.
- All benefits are paid to your Gem CreditLine account and not directly to you, except for the Accidental Death Cover benefit which is paid your estate.
- Benefits are calculated on a daily basis, that is, 1/30th for each day of disability or unemployment for which you can claim. For example, if after a 30 day qualifying period, you are disabled for a further 15 days, we'd pay for 45 days.

## Exclusions

### 9. Things not covered are called exclusions. A full list of exclusions follow in this section.

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#### 9.1 General Exclusions – for all covers under the Policy

If your claim is due to:

- War or warlike activities (whether war is declared or not), service in the armed forces or acts of terrorism, or
- The use, existence or escape of weapons of mass destruction, nuclear, chemical or biochemical material or waste, or ionising radiation.

#### 9.2 For Death Cover and Accidental Death Cover

Your claim is directly or indirectly attributable to or consequential upon any injury or sickness which you had symptoms of or received professional medical advice or treatment for, prior to the date the Policy began.

#### 9.3 For Critical Illness

- Your claim is directly or indirectly attributable to or consequential upon any injury or sickness which you had symptoms of or received professional medical advice or treatment for, prior to the date the Policy began.
- A Critical Illness which occurs within 90 days of the start date of the Policy,
- A Critical Illness resulting from, or as a consequence of, any of the following:
  - angina pectoris;
  - non-cardiac chest pain;
  - transient ischaemic attacks, reversible ischaemic neurological deficit, vascular disease affecting the optic nerve, cerebral symptoms due to migraine or cerebral injury resulting from trauma or hypoxia;

- carcinoma in situ (including cervical dysplasia CIN-1, CIN-2 and CIN-3) or tumours which are histologically described as premalignant;
- chronic lymphocytic leukaemia Binet Stages A&B or Rai Stages 0,1 and 2;
- melanomas with a depth of invasion less than Clark Level 3 or thickness less than 1.5mm Breslow as determined by histological examination;
- all hyperkeratosis or basal cell carcinomas of the skin;
- all squamous cell carcinomas of the skin, unless there has been a spread to other organs;
- Kaposi's sarcoma and other tumours associated with HIV infection, AIDS or AIDS related complex;
- prostatic cancers which are histologically described as TNM Classifications T1 (including T1a and T1b) or are of another equivalent or lesser classification;
- tumours treated by endoscopic procedures alone;
- tumours that are a recurrence or metastases of a tumour that first occurred before the end of 90 days after this Policy began; or
- angioplasty, laser or other intra-arterial procedures and non-surgical techniques in relation to coronary artery by-pass surgery.

#### 9.4 For Disability

- Your claim is directly or indirectly attributable to or consequential upon any injury or sickness which you had symptoms of or received professional medical advice or treatment for, prior to the date the Policy began,
- A period of disability that is less than 30 consecutive days in duration,
- If you take part in a criminal activity,
- You are receiving a monthly benefit for Involuntary Unemployment Cover,
- If you do not seek medical advice or fail to undertake treatment from a medical practitioner continuously while you are disabled,
- For any period where you are not disabled,
- You return to gainful occupation.

#### 9.5 For Involuntary Unemployment

- Your claim is directly or indirectly attributable to or consequential upon any injury or sickness which you had symptoms of or received professional medical advice or treatment for, prior to the date the Policy began,
- A period of unemployment that is less than 30 consecutive days in duration,
- You were not in permanent employment or self-employed for at least 180 consecutive days immediately before the date of involuntary unemployment. This applies to each and every claim,
- You cease work of a casual or temporary nature,
- You became aware of your impending unemployment before the Policy started,

- Unemployment that occurs within 30 days after the date when the Policy starts,
- You resign, accept early retirement or you abandon your employment,
- You are unemployed due to your deliberate or serious misconduct,
- You are unemployed due to sickness or injury,
- You take part in a criminal or illegal activity,
- You take part in a strike or lockout,
- If you are self-employed and your business temporarily stops trading,
- You are receiving a monthly benefit for Disability Cover,
- You return to any gainful occupation.

## Cancellations

### 10. Cancelling your policy

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Account Protection Plus is completely optional, so you can cancel it at any time. You can cancel your Policy by telephoning **0800 220 999** or writing to us, and we will stop debiting the premium to your account.

The cancellation takes effect from the end of the statement period for your Gem CreditLine account during which we receive your cancellation request. We can also cancel the Policy by advising you in writing, but only if you have not complied with the terms and conditions of your Gem CreditLine account, if you don't pay your premium as required, or for any other reason allowed under the law such as making a fraudulent claim.

The cancellation will take effect from the date we advise you in writing, and we will stop debiting the premium to your account.

### 11. When the policy ends

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The Policy will cease automatically when any of the following events occur:

- your Gem CreditLine account is terminated or cancelled;
- the Policy is cancelled by you or by us;
- you cease to be a New Zealand resident;
- we pay the maximum benefit of 36 monthly repayments for Disability and Involuntary Unemployment claims in total;
- we pay the maximum Policy benefit of \$20,000;
- we pay the Death benefit or the Critical Illness benefit;
- we pay the Death benefit and also the Accidental Death benefit; or
- you become Bankrupt.

## Premiums

### 12. How much does Account Protection Plus cost?

**Peace of mind, for much less than you'd expect.**

Account Protection Plus costs 0.8% of the monthly closing balance of your Gem CreditLine account. It is debited to your account and payable monthly.

Interest may be payable on your card account in accordance with the terms of your credit contract.

The following table gives some monthly premium examples:

Account balance at the end of the monthly statement cycle	Monthly premium
Nil	Nil
\$100	80c
\$500	\$4
\$750	\$6
\$1,000	\$8
\$2,000	\$16

Premiums must continue to be paid during the period of any claim under this Policy.

## Claims

### 13. How do I make a claim?

**It's easy and straightforward to make a claim.**

We believe that making an insurance claim should be straightforward and hassle-free. There are a number of ways you can submit your claim to us. To make a claim you can:

- Go to **gemfinance.co.nz/insurance** and submit your claim online **or** you can download, complete and send the claim form back to us; **or**
- Call us on **0800 220 999** and depending on the circumstances you may be able to submit your claim over the phone, **or** we can send a claim form to you.

You must submit your claim to us as soon as you can, and we'll tell you what additional information we may need to support your claim. These could include:

- If you make a claim for disability, we may need a report from your treating doctor, and we may also ask you to undergo a medical examination, at our cost, by a doctor we nominate who will report to us.
- If you make a claim for disability or involuntary unemployment we will need you to provide a letter from your employer, or evidence from Work and Income New Zealand.

#### **What you can expect**

Your claim will be looked after by us so any correspondence you receive will be from Latitude Insurance, the trading name of Hallmark Life and Hallmark General.

We understand you'll want to get your claim sorted out quickly, and we're committed to providing a high level of service. We undertake to:

- make a decision on your claim within 10 business days of receiving all the necessary information,
- make claim payments to your account within 3 business days of your claim being approved, and
- return any call you make to us within 1 business day of receiving your enquiry.

## Complaints

### 14. What if I have a complaint?

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**We want you to be completely satisfied with your Policy and our service.**

If you're not happy about something, please contact us first. We have an internal dispute resolution procedure, and you can quickly get that started by calling 0800 220 999 or by writing to Latitude Insurance at PO Box 108022, Symonds St. Auckland.

We'll do our best to resolve your complaint quickly and fairly, and we'll keep you informed of the progress.

If your complaint is not resolved in this way, you can contact the following independent and impartial body that provides a free external dispute resolution service:

**Insurance & Financial Services Ombudsman Scheme**

Mail: PO Box 10-845, Wellington 6143, New Zealand

Telephone: 04 499 7612

Free call: 0800 888 202

We also have a booklet '*Do you have a complaint relating to insurance?*' which has everything you need to know about these procedures. Please call us and we'll send you a copy.

Hallmark General follows the Fair Insurance Code. You can refer to this Code by visiting the Insurance Council of New Zealand's website at [www.ic.nz.org.nz](http://www.ic.nz.org.nz)

## Definitions

### 15. Definitions

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**Not sure about some of the terms in this booklet?**

There are some special meanings for certain words and phrases when it comes to insurance and we've defined these below. If you're still not clear and need further explanation, please call us on 0800 220 999.

**accident, accidental**

means a sudden and unforeseen event that happens by chance.

**balance owing on your account means**

for Death Cover, Accidental Death Cover and Critical illness Cover, the amount you would have to pay to pay off the balance on your account immediately at the date of your death or diagnosis of a critical illness, excluding any overdue and over-limit amount, fees and other charges imposed on any overdue and over-limit amount.

**bankrupt**

means adjudicated bankrupt under the Insolvency Act 2006.

**casual and temporary employment**

means employment where your job is short-term, irregular and uncertain

and you are not guaranteed regular work on an ongoing basis and you have no guarantee of future employment.

#### **credit contract**

means your Gem CreditLine contract with Latitude Financial Services Limited, setting out the terms and conditions of your Gem CreditLine account.

#### **critical illness means:**

- **heart attack**

means the death of a portion of heart muscle as a result of inadequate blood supply to the relevant area. The diagnosis shall be confirmed by a consultant cardiologist and based on:

- a) a history of typical chest pain, and
- b) confirmatory new electrocardiogram (ECG) changes, and
- c) a diagnostic elevation of cardiac enzymes or an increase in Troponin 1, to three times the upper limit of normal.

- **stroke**

means the first occurrence of a cerebrovascular accident or incident producing permanent neurological deficit resulting in at least 25% impairment of whole person function. A cerebrovascular accident includes infarction of brain tissue, intracranial and/or subarachnoid haemorrhage, or embolisation from an extracranial source. There must be clear evidence on cerebral Computerised Tomography (CT) or Magnetic Resonance Imaging (MRI) that a Stroke has occurred.

- **cancer**

means the histologically confirmed diagnosis of one or more malignant tumours. Malignant tumours are characterised by the uncontrolled growth and spread of malignant cells and the invasion and destruction of normal tissue. They include leukaemia, lymphoma, Hodgkins disease and other malignant bone marrow disorders.

- **kidney failure**

means end stage renal failure presenting as chronic irreversible failure of both kidneys to function requiring permanent regular renal dialysis.

- **major organ transplant**

means the first undergoing of 'human to human' organ transplant from a donor to the life insured of:

- a) One or more of the following organs:

- Kidney;
- Liver;
- Heart;
- Lungs;
- Pancreas; or

- b) bone marrow.

The operation must be considered medically necessary by the appropriate consultant.

- **coronary artery disease**

means the first undergoing of coronary artery by-pass grafting to two or more coronary arteries performed via open chest surgery for the treatment of coronary artery disease where angioplasty is contra-indicated. The surgery must be considered medically necessary by a consultant cardiologist or cardio-thoracic surgeon.

#### **disabled, disability, disablement**

means, due to sickness or injury, you are prevented from engaging in all

of the duties of any occupation for which you are reasonably suited by education, training and experience. A doctor acceptable to us must certify the disability.

**estate**

means your executor or administrator.

**gainful occupation**

means any work or function performed for reward, compensation or profit.

**Gem CreditLine account**

means your Gem CreditLine card and/or account with Latitude Financial Services Limited.

**involuntary unemployment**

means

- if you are an **employee**,
  - you stop working as a result of being terminated or being made redundant by your employer, where the job loss is not of your choosing, or
  - you accept the terms of redundancy offered to you by your employer due to downsizing or restructuring,
- if you are **self-employed or in a business partnership**, you stop working and it's not of your choosing, because:
  - you stop the business trading permanently or start to wind it up; or
  - the business is placed in the hands of an insolvency practitioner; or
  - for partnerships, you stop trading permanently or dissolve or start to dissolve the partnership.
- if you work on a contract or seasonal basis, you stop working as a result of being terminated or made redundant by your employer before the agreed expiry date of the contract, season or task, where the job loss is not of your choosing.

**monthly benefit**

means, for a period under a claim,

- a) the 'minimum monthly payment' as defined from time to time under your Gem CreditLine credit contract for the statement period immediately prior to your disability or involuntary unemployment, excluding any overdue amount and over limit amounts, and
- b) a percentage of the balance of any unexpired 'deferred payment advance' (as described in your Gem CreditLine credit contract) for the statement period immediately prior to your disability or involuntary unemployment, where the percentage is the same as that applied to the balance in calculating the 'minimum monthly payment', subject to an overall maximum of \$600.

**self-employed**

means you are working in a business, and:

- you have power or control or influence over the business because you own it, or are a major shareholder in the company that owns it, or a partner in the partnership that owns it;
- you are working for payment or reward; and
- you are not an employee of another business.

**we, our, us**

means for Policies purchased prior to 5 March 2012:

- for Death Cover, Accidental Death Cover, Critical Illness Cover, Disability Cover and Involuntary Unemployment Cover, means Hallmark Life, and

means for Policies purchased from 5 March 2012:

- for Death Cover, Accidental Death Cover and Critical Illness, Hallmark Life.
- for Disability Cover and Involuntary Unemployment Cover, Hallmark General.

We are also known under the business name of Latitude Insurance.

### **work, working**

means continuous and regular employment for salary or wages, including self-employment, a partner in a partnership, full-time, part-time, or contracted for a specified period or task (eg. seasonal). It does not include casual or temporary employment.

### **you, your**

means the person who has entered into a Gem CreditLine credit contract with Latitude Financial Services Limited for the Gem CreditLine account, and to whom we have sent a communication confirming that they have Account Protection Plus.

If, when you applied for Account Protection Plus, you nominated your partner as the main income earner to be covered under the Policy for Death Cover, Accidental Death Cover, Critical Illness Cover, Disability Cover and Involuntary Unemployment Cover, then any reference to “you” in relation to a claim under these covers, means your nominated partner.

## **Privacy**

### **16. Privacy notice and consent**

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#### **We cannot issue an insurance Policy to you without your personal information.**

Hallmark Life, Hallmark General and our related entities (we) collect personal information about you:

- to provide and manage products and services;
- to develop new products and services;
- to perform administrative tasks and manage business operations;
- for planning, product development and research;
- for fraud, crime prevention and investigation;
- to handle insurance claims; and
- to comply with legislative and regulatory requirements.

We may also use your personal information to tell you about products and services of our related entities and other offers from third parties that may be of interest to you. We disclose your personal information as necessary to third parties for the uses set out above. Those third parties may include our related entities (both in New Zealand and overseas), contractors, agents, medical practitioners, delivery companies, mail houses, call centres, debt collection agencies, claims handlers, data analysts and professional advisers.

We limit the use and disclosure of any personal information we give those parties to the specific purpose for which we give it. We will not disclose your personal information to a third party located overseas unless there are arrangements in place to protect your personal information.

By applying for insurance through us you consent to us collecting, using and disclosing personal information about you in the ways set out above. Personal information about you will be held at the offices of Hallmark Life. Where the personal information may readily be retrieved, you shall have access to it and the right to request correction.

Where we have your consent, we may from time to time contact you electronically (by email) which will be sent to the primary address attached to your Gem CreditLine account. Information sent to you via email will be relevant to our business and may include (but not limited to) notices, disclosures and other relevant product and service information.

All email will include an opt-out or unsubscribe feature. You may also withdraw your consent to receive communications electronically by contacting us on the above telephone number or address.

## Other Terms

### 17. Other policy terms

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#### Varying the policy

We may vary this Policy (including the premium amount) by giving you 30 days' written notice at any time, but only if the law allows us to.

#### Governing law

The Policy is governed by the law in force in New Zealand. Each party submits to the non-exclusive jurisdiction of the courts of New Zealand.

#### Assignment

We may assign this Policy to any other person.

## Other Important Information

### 18. Insurer Financial Strength Rating

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Hallmark Life and Hallmark General have both received Insurer Financial Strength Ratings of BBB+ from Standard & Poors.

#### Insurer Financial Strength Ratings\*

Category	Definition
AAA	An insurer rated 'AAA' has extremely strong financial security characteristics. 'AAA' is the highest insurer financial strength rating assigned by S&P Global Ratings.
AA	An insurer rated 'AA' has very strong financial security characteristics, differing only slightly from those rated higher.
A	An insurer rated 'A' has strong financial security characteristics but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.
BBB	An insurer rated 'BBB' has good financial security characteristics but is more likely to be affected by adverse business conditions than are higher-rated insurers.
BB, B, CCC, and CC	An insurer rated 'BB' or lower is regarded as having vulnerable characteristics that may outweigh its strengths. 'BB' indicates the least degree of vulnerability within the range; 'CC' the highest.
BB	An insurer rated 'BB' has marginal financial security characteristics. Positive attributes exist, but adverse business conditions could lead to insufficient ability to meet financial commitments.

B	An insurer rated 'B' has weak financial security characteristics. Adverse business conditions will likely impair its ability to meet financial commitments.
CCC	An insurer rated 'CCC' has very weak financial security characteristics and is dependent on favourable business conditions to meet financial commitments.
CC	An insurer rated 'CC' has extremely weak financial security characteristics and is likely not to meet some of its financial commitments.
R	An insurer rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favour one class of obligations over others or pay some obligations and not others. The rating does not apply to insurers subject only to nonfinancial actions such as market conduct violations.
SD or D	<p>An insurer rated 'SD' (selective default) or 'D' is in default on one or more of its insurance policy obligations but is not under regulatory supervision that would involve a rating of 'R'.</p> <p>The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action if payments on a policy obligation are at risk. A 'D' rating is assigned when S&amp;P Global Ratings believes that the default will be a general default and that the obligor will fail to pay substantially all of its obligations in full in accordance with the policy terms.</p> <p>An 'SD' rating is assigned when S&amp;P Global Ratings believes that the insurer has selectively defaulted on a specific class of policies but it will continue to meet its payment obligations on other classes of obligations. An 'SD' includes the completion of a distressed exchange offer. Claim denials due to lack of coverage or other legally permitted defenses are not considered defaults.</p>
NR	An insurer designated 'NR' is not rated.

\*Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

## 19. Overseas Policyholder Preference

An overseas policyholder preference applies to Hallmark General. Under Australian law, if Hallmark General is wound up, assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on Hallmark General's Australian assets to satisfy New Zealand liabilities.

## Disclosure Statement – Financial Advisers Act 2008

The information provided in this statement is important and may assist you in selecting a financial services provider or if you have a concern, problem or complaint in relation to our products or services.

### What sort of adviser are we?

Latitude Financial Services Limited (“LFSL”) is the credit provider for your Gem CreditLine account. The credit provider is a Qualifying Financial Entity (“QFE”) under the Financial Advisers Act. It does not provide any licensed services other than as a QFE. LFSL employees and any nominated representatives (together “advisers”) may provide you with financial advice relating to its products and services including Account Protection Plus. LFSL is responsible for any such advice and must ensure that its advisers exercise care, diligence and skill in providing that advice to you.

### Our contact details:

Latitude Financial Services Limited,  
8 Tangihua Street, Auckland 1140 or  
PO Box 4058, Shortland Street, Auckland 1010  
Telephone: 0800 500 505

### Our products and services

LFSL offers consumer credit products including personal loans, credit cards and insurance. The products may be provided by LFSL, its related companies, or third parties with which LFSL has agreements to sell their products. Advisers may receive commissions for selling these products.

### What to do if something goes wrong?

If you wish to make a complaint about our products or services, we have a free internal dispute resolution procedure, which you can access as follows:

Telephone: 0800 735 192  
Write to: LFSL, PO Box 4058, Shortland Street, Auckland 1010  
Attn: Customer Resolution Team

Please note that if you have any concerns about Account Protection Plus or the insurers, these should be referred directly to the insurers at:

Telephone: 0800 220 999  
Write to: Latitude Insurance, PO Box 108022,  
Symonds Street, Auckland 1150

If you have followed our internal dispute resolution procedure and your complaint remains unresolved you may refer the matter to the Insurance & Financial Services Ombudsman Scheme (“IFSO Scheme”). This scheme is independent, impartial and free to consumers. Contact details are:

Telephone: (04) 499 7612  
Email: info@ifso.nz  
Write to: IFSO Scheme, PO Box 10-845, Wellington 6143, New Zealand

### How is LFSL regulated?

LFSL is licensed and regulated by the Financial Markets Authority to provide financial adviser services. You can check the status of LFSL as a QFE at [www.fspr.govt.nz](http://www.fspr.govt.nz). The Financial Markets Authority provides information about financial advisers and you may report information about LFSL or its advisers to the Authority. Contact details are:

Telephone: +64 4 472 9830  
Website: [www.fma.govt.nz](http://www.fma.govt.nz)  
Write to: Financial Markets Authority, PO Box 1179, Wellington 6140

This disclosure statement was prepared as at April 2016.

**Call us on  
0800 220 999**

**or visit us  
[gemfinance.co.nz](http://gemfinance.co.nz)**

PO Box 108022,  
Symonds St, Auckland  
Fax: Admin 0800 282 646  
Claims: 0800 282 656