

Mortgage Repayment Cover Overview



Mortgage repayment cover provides a financial safety net should you suffer a total or partial disability which causes a reduction in your ability to meet your mortgage repayments and which lasts longer than the chosen waiting period. The monthly benefit is designed to cover mortgage repayments on your behalf during treatment and recovery.

Once the mortgage has been repaid

You can keep the agreed mortgage repayment cover in place even once the mortgage has been completely repaid as long as you keep paying the premiums. Certain offsets that apply to income cover will also apply to your mortgage repayment cover in these circumstances.

Specific injury

If you suffer from one of the specific injuries listed in the Mortgage Repayment Cover Protection Benefit Sheet, you will be paid the monthly benefit for a specified minimum period, irrespective of whether you return to work within that time frame. If your disability lasts longer than the specified minimum period the normal monthly benefit will continue to be payable.

Critical illness

If you suffer from one of the critical illnesses listed in the Mortgage Repayment Cover Protection Benefit Sheet, you will be paid the monthly benefit for a minimum period of six months irrespective of whether you return to work within that time frame. If your disability lasts longer than six months the normal monthly benefit will continue to be payable.

Waiver of waiting period

If you suffer a recurrence of a previous disability or a new disability within twelve months of ending a claim under the mortgage repayment cover, the chosen waiting period will be waived for the second disability. Partners Life does this to reflect the fact that you will

have most likely exhausted your available sick leave and annual leave entitlements during the previous waiting period.

Extra childcare help

If you become disabled and as a result need extra assistance with childcare for children under the age of fourteen, your mortgage repayment cover benefit provides reimbursement for these additional costs (up to certain limits).

Retraining and rehabilitation

If you are receiving a claim under the mortgage repayment cover, Partners Life may pay up to twenty four times the monthly benefit to reimburse costs associated with retraining and/or rehabilitation programs that might assist you to return to work.

Return to work reward

If you are receiving a total disability benefit and manage to return to work on a part-time basis as part of your recovery, Partners Life will boost your partial disability payments with bonuses once you have been back to work part-time for three months and then again after six months.

When you are confined to bed

If as a result of a disability you are admitted to hospital or are confined to bed at home under medical orders for more than three nights, your mortgage repayment cover benefits will start from your first day of confinement to hospital or home, rather than at the end of the waiting period.

Emergency transport costs

Your mortgage repayment cover will reimburse you for the costs of any emergency transport you require as a result of your disability (up to certain limits).

Death benefit

A lump sum payment of three times the monthly benefit is payable to assist with funeral expenses should a life assured die whilst on claim under the mortgage repayment cover.

Special assistance at home

If you suffer a disability and require full-time care at home then your mortgage repayment cover will reimburse you the cost of a carer for up to six months (up to certain limits).

Special equipment or home modifications

If you need to purchase specialised equipment, prosthetic devices or make alterations to your home or vehicle as a result of a disability, your mortgage repayment cover will reimburse those costs (up to certain limits).

What if the disability is total and permanent?

If you are claiming a total disability benefit and it becomes clear that you will never be able to return to work again, then your mortgage repayment cover will pay you a lump sum of twenty four times the monthly benefit and your regular monthly benefit will also continue.

Bringing you home

If you have been working overseas for more than three months when you suffer a disability and you wish to return home, your mortgage repayment cover includes a return to home benefit which will reimburse you for the costs of bringing yourself and a companion home to New Zealand (up to certain limits).

Treatment away from home

If your recommended treatment has to happen outside of your home town, then your mortgage repayment cover includes a support person accommodation and transport costs benefit which will reimburse you for up

to ten days accommodation costs and all transport costs for your support person (up to certain limits).

Future proofing the value of your benefits

To ensure your mortgage repayment cover can continue to deliver the same real value to you as when you first purchased it, your mortgage repayment cover will automatically increase by inflation each year, even when you are receiving monthly claim benefits. These increases apply irrespective of any changes to your health after your mortgage repayment cover starts.

You also have an option to set a minimum inflation rate of 5% so even when the inflation rate falls below this level your mortgage repayment cover will still increase by 5%.

Of course, if your mortgage repayment cover does increase by inflation, so will your premiums. You can choose to decline any increase in any given year without losing the automatic increase in following years, so you really have the best of both worlds – automatic rights to increase with no obligation to do so.

Turning claims promises into reality

Partners Life goes so much further than paying lip service to the way in which we will manage claims. Our intention to manage claims fairly and ethically, irrespective of what the law might allow us to do as a life insurer, is a legally binding promise. We have included our commitment to our claims philosophy into our policy wordings – so we are contractually obliged to behave this way – and we wouldn't have it any other way.

Rewarding partnership for life

Partners Life is passionate about sharing the value we create over time with you. Rather than solely focusing on incentivising new customers to join, we also want to reward clients who are loyal to us. Your Partners Protection Plan includes an increasing loyalty discount over time to your mortgage repayment cover premium. So you can take comfort that you will pay increasingly less for your mortgage repayment cover than new clients to the company will.

The discounts that apply start from the 3rd anniversary and increase each year until reaching 10% after twelve years.

Help when it's really needed

A premium holiday is available to you to provide financial relief during difficult times without losing your valuable cover.

In the tragic event that you lose a spouse or child, are made redundant or bankrupt or are forced to leave work to care for a relative who has become dependent on you due to ill health, your Partners Protection Plan provides up to six months of free mortgage repayment cover while you rearrange your financial affairs.

Alternatively your premiums and cover may be suspended for up to twelve months if you need temporary financial relief due to overseas travel, parental leave, extended periods of leave without pay or even if you decide to embark on some additional full-time study. At the end of the suspension period you can restart your mortgage repayment cover without being reassessed.

Keeping your Partners Protection Plan up to date

Partners Life guarantees to automatically apply any future enhancements we make to the mortgage repayment cover to your policy, provided there is no additional premium required for those enhancements.

Increasing benefits to match your increasing mortgage

Partners Life recognises that your mortgage commitments can change over time and each time your mortgage increases, there is a financial need to increase your mortgage repayment cover to keep pace. The special events increase benefit allows your mortgage repayment cover to be increased (up to certain limits) without further health assessment, whenever your mortgage increases.

Optional redundancy benefit

You have the option to purchase the redundancy benefit which will provide for up to six months of mortgage repayment being paid on your behalf in the event that you are made involuntarily redundant by your employer (up to certain limits).

Your choice of waiting periods and payment terms

The Partners Life mortgage repayment cover provides you with the flexibility to structure your plan to most closely suit your needs. You have a choice of waiting period (four, eight, or thirteen weeks) and payment term (two or five years or to age 65). Your adviser will assist you to understand the implications of these options to enable you to make the best choice for your personal circumstances.

Worldwide cover

Your mortgage repayment cover is valid wherever you may be in the world.

This overview is a marketing document which highlights a number of the key features of mortgage repayment cover. The full terms and conditions that apply to those features and to the overall Partners Protection Plan are detailed in the Mortgage Repayment Cover Protection Benefit Sheet, and the Partners Protection Plan Policy Document which are all available from your adviser.

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