

Mortgage Repayment Cover



Mortgage Repayment Cover provides a financial safety net should you be disabled as a result of sickness or injury. The monthly benefit is designed to cover either the mortgage repayments on your behalf or a portion of your lost income.

You can have Mortgage Repayment Cover irrespective of your actual mortgage repayments and irrespective of any mortgage debt. The maximum sum insured you can apply for is the greater of either:

- 45% of your pre-tax income (if your actual mortgage repayments are less than 45% of your income and also if you have no mortgage). Proof of income will be required.
- Your actual mortgage repayments (even if this is more than 45% of your income). No proof of income is required.

Unable to work

Mortgage Repayment Cover pays a monthly Total Disability Benefit if you are disabled and unable to work, from the end of the selected waiting period till you return to work or reached the end of your payment term or cover term, whichever occurs first. You may be entitled to a Partial Disability Benefit if you go back to work but you are not able to work full time.

Benefit agreed upfront

Mortgage Repayment Cover offers an Agreed monthly benefit, which is not financially assessed again at claims time and is payable whether or not you have a mortgage. No offsets apply.

Your choice of waiting periods and payment terms

Partners Life's Mortgage Repayment Cover provides you with the flexibility to structure your plan to most closely suit your needs. You have a choice of six waiting periods, the period of time before your monthly Mortgage Repayment Cover claim payment begins after becoming disabled; either 4, 8, 13, 26, 52, or 104 weeks. You also have a choice of two cover terms, either to age 65 or 70, and six payment term options of 3, 6 or 12 months, 2 or 5 years, or to the end of the cover term. Your adviser will assist you to understand the implications of these options to enable you to make the best choice for your personal circumstances.

Specific injury

If you suffer from one of the specific injuries listed below, you will be paid the monthly Mortgage Repayment Cover sum insured 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. Minimum specified periods can be found in the Mortgage Repayment Cover Protection Benefit Sheet.

- Fracture of jaw
- Fracture of skull
- Fracture of forearm
- Fracture of collarbone
- Fracture of wrist
- Fracture of upper arm
- Fracture of shoulder
- Fracture of elbow
- Fracture of vertebrae
- Fracture of kneecap
- Fracture of ankle
- Fracture of heel
- Fracture of leg below the knee (tibia or fibula)
- Fracture of the leg above the knee (femur)
- Fracture of the pelvis
- Loss of the thumb and index finger of the same hand
- Loss of a foot or hand
- Loss of sight in an eye
- Loss of a whole leg or arm
- Loss of any combination of hand, foot or sight
- Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia)

Critical illness

If you suffer from one of the critical illnesses listed below, you will be paid the monthly Mortgage Repayment Cover sum insured for a minimum period of 6 months* irrespective of whether you return to work within that time frame. If your disability lasts longer than 6 months the normal monthly benefit will continue to be payable.

- Aortic Surgery
- Cancer
- Chronic Kidney Failure
- Chronic Liver Failure
- Chronic Lung Failure
- Coronary Artery Surgery
- Heart Attack
- Major Burns
- Major Head Trauma
- Multiple Sclerosis
- Stroke

*For payment terms of 3 months, this benefit will pay a maximum of 3 months.

Waiver of waiting period

If you suffer a recurrence of a previous disability or a new disability within 12 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.

Payment term reset

If a shorter payment term applies to your cover and the waiting period is not waived under the Waiver of Waiting Period Benefit then the Fixed Payment Term Reset Benefit will reset the Payment Term.

Retraining and rehabilitation

If you are totally or partially disabled 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. This Vocational Retraining and Rehabilitation Benefit is not available for payment terms less than 2 years.

Return to work rewards

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 by 25% for up to 12 months.

If you return to work full-time after receiving a benefit under the Retraining and Rehabilitation benefit you will receive additional Return to Work Benefit payments once you have been back at work for 3 and then 6 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 daily medical supervision for more than 3 nights, the Bed Confinement Benefit will pay 1/30th of your sum insured for each day of the confinement during the waiting period, rather than making you wait till 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 3 times the monthly sum insured is payable to assist with funeral expenses should a life assured die whilst covered under the Mortgage Repayment Cover.

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).

Special assistance at home

If you suffer a disability and require full-time care at home, your Mortgage Repayment Cover will reimburse you the cost of a carer for up to 6 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 totally disabled for a continuous period of 12 months 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 up to 24 times the monthly sum insured and your regular monthly benefit will also continue.

Bringing you home

If you have been working overseas for more than 3 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).

Cover while away from work

Even if you have been temporarily out of work, or on an approved period of leave without pay from work, for less than 12 months when you become disabled, you will be treated as if you were still working in the job you were most recently employed in for the purposes of assessing your claim against the Mortgage Repayment Cover benefit.

Future proofing the value of your cover

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 sum insured will automatically increase by inflation adjustment each year and so will your premiums, unless you have a level premium review period and you selected a no indexation option. Even the monthly payments you receive on claim will increase annually, unless you have selected a level premium review period with no indexation. 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 sum insured will still increase by 5%.

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.

No Indexation Option

If you have selected a level premium review period to age 65 or 70 you can also choose a no indexation option.

Increasing the amount of your cover to match increasing interest rates

In addition to actual inflation, Partners Life recognises that your interest rate can change many times over the term of your mortgage and each time that rate changes, your mortgage repayments will likely change to keep pace. The increasing interest rate benefit allows your Mortgage Repayment Cover sum insured to be increased (up to certain limits) without further health assessment, whenever the New Zealand OCR increases by 1% or more over any 12 month period.

Increasing the amount of your cover to match your increasing mortgage repayments

Partners Life recognises that your mortgage commitments can also change over time and each time your mortgage increases, there may be a financial need to increase your Mortgage Repayment Cover sum insured to keep pace. The Increasing Mortgage Benefit allows your Mortgage Repayment Cover sum insured to be increased (up to certain limits) without further health assessment, whenever your mortgage increases.

Increasing the amount of your cover when restructuring your mortgage

In addition to increases in your mortgage commitments, Partners Life also recognises that restructuring your mortgage can also lead to a financial need to increase your Mortgage Repayment Cover sum insured to keep pace with increasing repayments. The Mortgage Restructure Benefit also allows your Mortgage Repayment Cover sum insured to be increased (up to certain limits) without further health assessment, whenever a restructure in your mortgage leads to an increase in your monthly repayments.

Redundancy Cover Option

You have the option to purchase the Redundancy Cover Option which will provide for up to 6 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). A 90 day stand down period will apply following commencement of the Redundancy Cover Option. This option is not available for payment terms shorter than 6 months.

Reduction in waiting period option

You have the option to purchase the Reduction in Waiting Period Option which allows you to reduce your waiting period without further health assessment any time there are relevant changes in your personal circumstances (certain exclusions apply).

Caring for your dependents

You can select to purchase the Dependent Caregiver Option which will provide you with a proportion of the monthly benefit should you need to give up work to provide full-time care for a relative who can no longer take care of themselves as a result of a total disability (up to certain limits).

KiwiSaver contribution while on claim

You have the option to purchase the Retirement Protection Option and to select a 2%, 4% or 6% contribution rate. In the event of a disability, Partners Life will contribute the selected percentage of the monthly Mortgage Repayment Cover sum insured directly to your KiwiSaver provider. This contribution is in addition to your monthly benefit.

Total and Permanent Disability Booster Option

If your disability is total and permanent we understand that the ongoing financial impact could be overwhelming. If you choose to purchase the Total and Permanent Disability Booster Option, once you qualify for the lump-sum Total and Permanent Disability Benefit already included in this Mortgage Repayment Cover, we will also increase your monthly benefit from then on by a further 1/3 of your sum insured. You will receive your full monthly Mortgage Repayment Cover sum insured, plus an additional 1/3. This Total and Permanent Disability Booster Option is not available for payment terms of 12 months or less.

Conversion to Household Expenses benefit

Partners Life recognises that personal circumstances can change and at some future date you may change from paying a mortgage and start paying rent. If this occurs, you have the option to convert some or all of your Mortgage Repayment Cover sum insured to Household Expenses Cover without any further health assessment (certain exclusions apply).

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 Premium 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 2nd anniversary and increase each year by 1% until reaching 10%. Policies with a level premium review period automatically include an averaged loyalty premium discount, therefore an additional discount does not apply.

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 6 months of free Mortgage Repayment Cover while you rearrange your financial affairs. Alternatively your premiums and cover may be suspended for up to 12 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 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.

Worldwide cover

Your Mortgage Repayment Cover is valid wherever you may be in the world.

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This overview is a marketing document that 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 Protection Benefit Sheet and Partners Protection Plan Policy Document available from your adviser.