

## Income Cover



Income Cover provides a financial safety net should you suffer a total or partial disability which reduces your ability to earn your normal income and lasts longer than the chosen waiting period. The monthly benefit is designed to replace a significant portion of lost income to help maintain your usual lifestyle during treatment and recovery.

### Your choice of waiting periods, cover terms and payment terms

Partners Life Income 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, thirteen or twenty-six weeks), cover term (to ages 65 or 70), and payment term (two years, five 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.

### Benefit agreed upfront or assessed at claim

You have the choice to provide financial evidence at application time to obtain an agreed monthly benefit, which is not then financially assessed again at claims time. Alternatively, you can choose to purchase an indemnity benefit which will be calculated based on the income you can prove you were earning just before becoming disabled.

### Specific injury

If you suffer from one of the specific injuries listed below, 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. Minimum specified periods can be found in the Income Cover Protection Benefit Sheet (Indemnity and Agreed Value).

- 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 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.

- 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

### 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 Income Cover, the chosen waiting period will be waived for the second disability. Partners Life does this to reflect the fact that you have most likely exhausted your available sick leave and annual leave entitlements during the previous waiting period.

### Retraining and rehabilitation

If you are receiving a claim under the Income Cover benefit, Partners Life may pay up to twenty four times the monthly benefit to reimburse costs associated with retraining and/or rehabilitation programmes 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 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 bonus payments once you have been back at work for three and then 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 Income 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 Income 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 sum insured is payable to assist with funeral expenses should a life assured die whilst covered under the Income Cover benefit.

### **Extra childcare help**

If you become disabled and as a result need extra assistance with childcare for children under the age of fourteen, your Income 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 Income Cover benefit 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 Income 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 Income Cover benefit will pay you a lump sum of twenty four times the monthly sum insured and your regular monthly benefit will also continue (certain conditions apply).

### **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 Income 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 Income Cover benefit.

### **Future proofing the value of your benefits**

To ensure your Income Cover can continue to deliver the same real value to you as when you first purchased it, your Income 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 Income 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 Income Cover will still increase by 5%. Of course, if your Income 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 have the best of both worlds – automatic rights to increase with no obligation to do so.

### **Increasing benefits to match increasing income**

In addition to general inflation, Partners Life recognises that your income can change many times during the course of your career and each time your income increases, there is a financial need to increase your Income Cover to keep pace. The increasing income benefit allows your Income Cover to be increased (up to certain limits) without further health assessment, whenever your income increases.

### **Optional booster benefit**

You have the option to purchase the booster benefit which will boost the monthly amount payable for the first three months of any claim under your Income Cover benefit by an additional one third.

### **Optional reduction in waiting period benefit**

You have the option to purchase the reduction in waiting period benefit 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).

### **Optional dependent relative benefit**

You have the option to purchase the dependent caregiver benefit 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).

### Optional KiwiSaver contribution while on claim

You have the option to purchase the retirement protection benefit 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 income benefit directly to your KiwiSaver provider. This contribution is in addition to your monthly benefit.

### Optional mental health discount

For all payment terms other than two years, you can choose to limit the payment term to two years for periods of disability caused by the listed mental health conditions, in exchange for a 10% premium discount:

- Depression
- Anxiety
- Stress related disorders
- Phobias

### 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 Income Cover premium. So you can take comfort that you will pay increasingly less for your Income 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%.

### 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 Income 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 Income Cover without being reassessed.

### Keeping your Partners Protection Plan up to date

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

### Worldwide cover

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

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

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