# Understanding our latest product enhancements.

In June 2024, we released new enhancements for our Monthly mortgage repayment cover. We know that insurance terminologies aren't always self-explanatory, so check out the guide below to find out what these changes mean for you.

## 1 Enhancement: Lifting our offsets threshold.

| Before. | Now. | What does this mean for me? |
|---|---|---|
| **Monthly benefit over $5,000 at claim time.**<br><br>If the insured person doesn't have a **mortgage**, the amount of **monthly benefit** in excess of $5,000 will be reduced by **other income.**<br><br>If they have a mortgage:<br><br>· if the amount insured at time of application is the total mortgage repayment, the amount of **monthly benefit** in excess of $5,000 will be reduced by any **gross income**, or<br><br>· if the amount insured at the time of application is the total mortgage repayment less **gross income**, the amount of **monthly benefit** in excess of $5,000 will be reduced by any increase in the **gross income** between application time and claim time. | **Monthly benefit over $7,500 at claim time.**<br><br>· If the **monthly benefit** is over $7,500 at claim time, the amount of **monthly benefit** in excess of $7,500 will be reduced by **other income.** | Offsets are reductions in the amount we pay out to you at claim time, due to other income you may receive.<br><br>Our offsets threshold has now increased from **$5,000** to **$7,500** per month, meaning there'll be more guaranteed money in your pocket before offsets start to apply.<br><br>You may have also noticed that we've simplified how offsets work as part of Monthly mortgage repayment cover.<br><br>Before, they were calculated using multiple factors, and differed depending on your mortgage status.<br><br>Now, when offsets begin to apply, they'll simply be tied to other income regardless of whether or not you have a mortgage. |

## 2 Enhancement: Allowing for cover to be based on 115% of rent payments.

| Before. | Now. | What does this mean for me? |
|---|---|---|
| **Cover can be based on:**<br>· 115% of mortgage repayment (investment or residential property).<br>· 45% of gross income. | **Cover can be based on:**<br>· 115% of mortgage repayment (investment or residential property).<br>· 45% of gross income.<br>· **115% of rent payments.** | Before, there were only 2 factors you could base your cover on – 45% of your gross income, or 115% of your mortgage repayments.<br><br>Now, if you're a renter, you can choose to base your cover on 115% of rent payments instead.<br><br>This could mean an increase in cover for you – especially if you spend a large proportion of your income on rent. |

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* Fidelity Life has an A- (Excellent) financial strength rating from A.M. Best. The rating scale that this rating forms part of is available for inspection at our offices. For more information please visit [Fidelity Life's financial strength page](Fidelity Life's financial strength page).