

# Monthly mortgage repayment cover.

## Adviser factsheet.

### About Monthly mortgage repayment cover.

Monthly mortgage repayment cover provides an agreed monthly benefit to help meet your mortgage repayments or other similar types of obligations, such as a rental agreement. The cover pays out if you are totally or partially unable to work due to sickness or injury. While ACC may pay most of your salary if you have an accident, if you suffer an illness that meant you couldn't work for a while it would be much more difficult to manage on the Jobseeker's Benefit. Monthly mortgage repayment cover would provide for help in those situations.

If you have a mortgage, or are renting then those payments will probably form a significant portion of your monthly living expenses. Having Monthly mortgage repayment cover means that if you are unable to work due to sickness or injury then you have the comfort of knowing that you will receive financial support to help keep up with those payments and can focus on getting well.

The cover includes some important benefits at no additional cost as well as an optional benefit that the business can choose.

### Key facts.

#### Ages.

You can take out this cover if you are aged 16 to 59 (inclusive). Cover ends at age 65.

#### Premiums.

Age-rated premiums are fixed for one year at a time and will normally increase in line with age.

#### Cover amount.

The maximum monthly benefit is \$30,000, subject to financial and medical assessment.

**Waiting period** – This is the period in which you wait before we start paying a claim. You can choose 2, 4, 8, 13, 26, 52 or 104 weeks.

**Benefit payment period** – This is the maximum period for which we will pay a claim. You can choose from the following benefit periods: 2 years, 5 years or to age 65.

#### General.

- This is an 'agreed cover' contract. No financial evidence is needed at claim time.
- You can insure up to either 45% of gross income or 115% of monthly mortgage repayments or rent payments.
- If the monthly benefit is above \$7,500 other income may reduce the amount payable in certain circumstances.

### Standard features.

**Total disability benefit** – If during the waiting period you have been continuously totally disabled or partially disabled and at the end of the waiting period you are totally disabled, a total disability benefit may be payable. The total disability benefit is payable in advance from the end of the waiting period.

**Partial disability benefit** – If during the waiting period you have been continuously totally disabled or partially disabled, and after:

- the end of the waiting period, or
- a period of total disability after the waiting period,

you continue to be partially disabled, a partial benefit may be calculated effective from the end of the waiting period. The partial disability benefit is payable in arrears.

If you are partially disabled, it means you can work part-time but there is a reduction in your earnings.

**Family member support benefit** – If you are confined to bed and require full-time care, this benefit provides financial support for an immediate family member who provides care and whose own income stops as a result.

**Hospitalisation/nursing care benefit** – This provides additional financial support for bed care during the waiting period for up to 90 days.

**Rehabilitation and retraining benefit** – This is payable in addition to the monthly benefit, if you undertake an approved rehabilitation programme for the purpose of retraining or re-education. The maximum benefit is 50% of the approved cost up to 50% of the monthly benefit for up to 12 months. The balance of the approved costs up to 50% of the monthly benefit will be paid when you return to paid work for 20 hours or more.

**Recovery support benefit** – This is payable in addition to the monthly benefit, for purchasing specialist equipment such as a wheelchair, prosthetic devices, and house and car modifications.

**Relocation benefit** – If you are totally disabled and when you have been living outside of New Zealand for more than three months, we will reimburse you the actual cost of a single standard economy airfare to New Zealand, up to a maximum of \$5,000. This benefit is payable only once for each insured person.

**Recurring claim benefit** – The waiting period is waived on claims which result from a recurrence of the same or related sickness or injury within 12 months of returning to work.

**Benefit period reset** – If you were paid a claim and suffer from the same or a related sickness or injury after returning to full time paid work for at least 12 continuous months and you become totally disabled or partially disabled, the benefit period and waiting period will start again.

**Waiver of waiting period** – The waiting period of a new unrelated claim is waived in certain circumstances.

**Reduction in the waiting period** – You may be able to reduce the waiting period on your cover without needing to provide any health, occupation or financial information in certain situations including if you change your job and as a result, your contractual sick leave entitlement reduces by more than four weeks. You can do this once while your cover is in place.

**Future insurability** – This may allow you to increase the monthly benefit without additional health information if you take out a new mortgage or increase an existing mortgage.

**Leave without pay** – This may allow you to cancel this cover with a right to reinstate without additional health information if you take a period of leave without pay or become involuntarily unemployed for reasons other than disability. Limits and conditions apply.

**Unemployment** – Benefits can still be paid even though you are unemployed, though the definition of total disability and partial disability changes.

### Optional benefits.

**Claims escalation option** – While on claim, your benefit will be linked and adjusted by a rate we determine based on the percentage increase of the Consumer Price Index (CPI).

**Extra benefits option** – Includes the Death, Total & Permanent Disability, Specific injury and Specified medical condition benefits. See below for further details.

- **Death benefit** – A lump sum of three times the monthly benefit is payable if you pass away while you have cover.
- **Total and Permanent Disability benefit** – Provides a benefit of 24 times the monthly benefit if you have been paid a monthly benefit for 12 consecutive months and are totally and permanently disabled.
- **Specific injury benefit (see table)** – A benefit for listed specific injuries, payable whether you are working or not, with no offsets.
- **Specified medical condition benefit** – If you suffer one of the specified medical conditions we will pay you the monthly benefit for a minimum period of six months, whether you are working or not. Specified medical conditions – angioplasty triple vessel\*, aorta surgery\*, heart valve surgery\*, coronary artery bypass surgery\*, heart attack\*, cancer\*, stroke\*, chronic kidney failure, major organ transplant, multiple sclerosis, paralysis or severe burns. Cover for conditions marked\* does not start until three months after the benefit has been applied for.

**Booster benefit option** – This option increases your total disability benefit by one third during the first three months of your claim. Where a partial disability benefit is paid after the waiting period ends, an additional 25% of that amount will be paid for up to a maximum of 12 months.

**Extended benefit option** – This option allows your benefits to continue if you have been totally disabled for at least three months immediately before your 65th birthday and you are unable to perform two or more activities of daily living.

**All of the above require payment of an additional premium.**

**CPI Option** – To help your cover keep pace with inflation, your cover will be increased each year by the greater of 2% or the Consumer Price Index, without you needing to provide additional health information. We will advise you of the increased cover amount and new premium each year. You pay extra for the increased cover.

**Mental and back disorder limitation** – If you limit the benefit period for a mental disorder or back claim to two years, you will qualify for a premium reduction of up to 20%.

### Specific injury benefit.

Specific Injury means	The payment period
Paralysis (diplegia, hemiplegia, paraplegia, quadriplegia, tetraplegia)	60 months
<b>Loss of:</b>	
Both feet or both hands or sight of both eyes	24 months
Any combination of two of: a hand; a foot; sight in one eye	24 months
One leg or arm	18 months
One foot or one hand or sight in one eye	12 months
Thumb and index finger of the same hand	6 months
<b>Fracture of:**</b>	
Leg above the knee (femur),	90 days
pelvis Leg below the knee (tibia or fibula)	60 days
Ankle, heel, kneecap	60 days
Vertebrae	60 days
Upper arm, shoulder bone,	60 days
elbow Wrist hand (excluding fingers)	45 days
Forearm, collarbone	30 days
Skull, jaw	30 days

\*\* Fracture means the disruption in the continuity of bone, with or without displacement, as a result of an accident. The fracture must be shown by radiographic or scanning techniques and be diagnosed by a medical practitioner within 30 days of the incident giving rise to the fracture. For full requirements please refer to the policy wording.



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