

Income Cover



Income Cover provides a financial safety net should you be disabled as a result of sickness, injury or surgical procedure, and unable to earn your regular income. The monthly benefit is designed to replace a significant portion of lost income to help maintain your usual lifestyle during treatment and recovery.

Unable to work

Income 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 or assessed at claim

There are four options when applying for Income Cover, these effect when your income will be assessed. You have the choice to provide financial evidence at application time to obtain the Income Cover type Agreed Value or Taxable Agreed Value or Agreed Loss of Earnings, which is not then financially assessed again at claims time. Alternatively, you can choose to purchase the Income Cover type Indemnity Loss of Earnings which will be calculated based on the income you can prove you were earning just before becoming disabled.

Your choice of waiting periods, cover terms and payment terms

Partners Life's Income 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 Income 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 Income 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 Income Cover Protection Benefit Sheet (Agreed Value, Taxable Agreed Value, Agreed Loss of Earnings and Indemnity Loss of Earnings).

- 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 Income 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.

- Angioplasty*
- Aortic Surgery
- Cancer*
- Chronic Kidney Failure
- Chronic Liver Failure
- Chronic Lung Failure
- Coronary Artery Surgery*
- Heart Attack*
- Heart Valve Replacement
- Major Burns
- Major Head Trauma
- Multiple Sclerosis
- Organ Transplant
- Stroke*

[#]For payment terms of 3 months, this benefit will pay a maximum of 3 months.

Those conditions marked with * no cover is provided for the 90 days immediately following the receipt of the application form by Partners Life.

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 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.

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 Income Cover, Partners Life may pay up to 24 times the Income Cover sum insured to reimburse costs associated with retraining and/or rehabilitation programmes 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 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 pay you a Partial Disability Bonus Benefit. This benefit will boost your Partial Disability Bonus Benefit Payments by 25% for up to 12 months.

If you return to work full-time after receiving a Vocational 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 confinement during the waiting period, rather than making you wait till the end of the waiting period.

Emergency transport costs

Your Income Cover will reimburse you for the costs of any emergency transport recommended by a doctor, as a result of your disability (up to certain limits).

Death benefit

A lump sum payment of 3 times the monthly Income Cover 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 14, the Childcare Assistance 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, the Special Care Benefit 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, the Recovery Support Benefit 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 Income Cover benefit will pay you a lump sum of up to 24 times the monthly Income Cover 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 3 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.

Increasing the amount of your cover to match increasing income

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 sum insured to be increased (up to certain limits) without further health assessment, whenever your income increases.

Booster Option

For payment terms 12 months or greater, you have the option to purchase the booster benefit which will boost the monthly amount payable for the first 3 months of any claim under your Income Cover benefit by an additional one third.

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 Income Cover, we will also increase your monthly benefit from then on by a further one-third of your sum insured.

Additionally, any amounts we may have been offsetting, such as payments you might be receiving from ACC for example, will no longer be offset. You will receive your full monthly Income Cover sum insured, plus an additional one-third. This Total and Permanent Disability Booster Option is not available for payment terms of 12 months or less.

Reduction in waiting period option

You can select 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 have the option 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).

Optional 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 Income Cover sum insured directly to your KiwiSaver provider. This contribution is in addition to your monthly benefit.

Optional mental health discount

For all payment terms longer than 2 years, you can choose the Payment Term Restriction Option which will limit the payment term to 2 years for periods of disability caused by the listed mental health conditions, in exchange for a 10% premium discount:

- Anxiety
- Depression
- Phobias
- Stress related disorders

Future proofing the value of your cover

To ensure your Income Cover can continue to deliver the same real value to you as when you first purchased it, your Income 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 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 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.

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 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%. 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 Income 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 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.

