

## Specific Condition Cover



Specific Condition Cover provides a financial safety net should you suffer one of the Covered Conditions, potentially leaving you unable to earn your regular income or at least interrupting your usual lifestyle. The lump-sum benefit is designed to provide a cash injection to help alleviate the financial impact associated with this disruption to your lifestyle and income, so you can focus on your treatment and recovery.

### Benefits paid up front

Benefits are paid as a lump sum once a Covered Condition has occurred, and the amount payable is a fixed multiple of the sum insured depending on the specific condition. There is no wait period, so as soon as you suffer the impairment or undergo the procedure and Partners Life accepts the claim, you will be paid the applicable benefit.

### When accidents happen

There is a likelihood that if you are unable to work that it may be the result of an accident, in which case you may be receiving regular payments from ACC. Traditional income cover reduces the amount payable by the amount you receive from ACC, however this is not the case with Specific Condition Cover. You will always be paid 100% of the amount payable.

### Less stress at claim time

With traditional income cover you have to prove that you are unable to work before you will be paid a benefit, and you or your doctor will need to regularly provide further evidence that you are still disabled. However, as Specific Condition Cover pays a benefit based only upon you suffering a condition or undergoing a procedure, you need only provide evidence that you meet the applicable criteria once, when you submit your claim, and your benefit will be paid.

### Covered specific conditions

Conditions are divided into three categories:

#### Category A

The most serious conditions such as paralysis, total blindness, or total and permanent disability. Category A conditions pay a lump sum of  $60 \times$  the sum insured, which closely equates to five years income. Any payments already made for the same condition under Categories B or C will be deducted from this payment. Once you are paid a benefit under a condition in this category, your Specific Condition Cover will end.

#### Category B

This category includes conditions and surgical procedures which can only occur once, such as a tonsillectomy or blindness in one eye. Category B conditions each pay a lump sum of between  $0.5 \times$  the sum insured for procedures such as an appendectomy

or removal of an ovary or testicle, up to  $24 \times$  the sum insured for permanent partial disability. Any payments already made for the same condition under Category C will be deducted from this payment.

#### Category C

This category includes a range of impairments, surgeries and other medical procedures which, in most cases, are temporary and have the potential to recur. These include bone fractures, the temporary need of a wheelchair, or radiotherapy. Category C conditions each pay a lump sum of between  $0.5 \times$  the sum insured for the loss of use of one or two fingers, up to  $24 \times$  the sum insured for amputation above the knee or elbow.

A full list of conditions under each category can be found in the Partners Life Specific Condition Cover Protection Benefit Sheet, available from your adviser.

#### Extra childcare help

If you become disabled and as a result need extra assistance with childcare for children under the age of fourteen, your Specific Condition Cover benefit provides reimbursement for these additional costs (up to certain limits).

#### 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 Specific Condition 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).

#### 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 Specific Condition Cover to keep pace. The Increasing Income Benefit allows your Specific Condition Cover sum insured to be increased (up to certain limits) without further health assessment, whenever your income increases.

### Future proofing the value of your benefits

To ensure your Specific Condition Cover can continue to deliver the same real value to you as when you first purchased it, your Specific Condition Cover sum insured will automatically increase by inflation adjustments each year and so will your premiums, unless you have a level premium review period and you selected a no indexation option. These increases apply irrespective of any changes to your health after your Specific Condition 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 Specific Condition 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 discount over time to your Specific Condition Cover premium. So you can take comfort that you will pay increasingly less for your Specific Condition 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 Specific Condition 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 Specific Condition Cover without being reassessed.

### Keeping your Partners Protection Plan up to date

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

### Worldwide cover

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