

# Just the facts

## Income and Expenses Cover

Replaces up to 75% of the lost income or the life assured's portion of their domestic expenses in the event of your client's total or partial disability.

partners life

Premium Review Periods	Minimum Entry Age	Maximum Entry Age	Expiry Age	Payment Term Options	Minimum Sum Insured	Maximum Sum Insured	Waiting Period
Yearly Stepped	16	57 for to age 65 (reduced commission required after age 55)	65	To age 65 2 or 5 years	<b>\$100 per month</b> ; or \$1,200 per annum	<b>\$40,000 per month*</b> ; or \$480,000 per annum  *Class 5 limited to \$2,500 per month / \$30,000 per annum	Occupation Class 1 - 4 4, 8, and 13 weeks  With 26, 52 & 104 weeks available to clients who have other insurance cover (i.e. Business Protection or Group cover)  Occupation Class 5 13 weeks

### Exclusions

- Self-inflicted harm
- Participating in criminal activity
- Non-compliance with medical treatment
- Normal Pregnancy, childbirth or miscarriage unless continued 90 days post end of pregnancy
- Drug use (including misuse of prescriptions)
- Refusal to provide claims information or undergo requested examinations or tests

Worldwide Cover	Paid in Advance	Financial Underwriting	GST	Taxation of Premium and Benefit	Inflation Adjustment and Claims Escalation
Yes	Yes for both Total Disability Benefits and Partial Disability Benefits	Replaceable Ratio is 75% of Income at time of application but proof of income (or expenses) will be required at claim time.	Applies to premiums, claims and commissions	It is our understanding that premiums payable are tax deductible and claims proceeds received are taxable as income	Automatically applied annually; actual inflation % (CPI)

### Monthly Domestic Expenses - Monthly Domestic Expenses includes monthly expenses which are for domestic purposes and/or for services supplied to the primary place of residence (home) of the life assured

Monthly Domestic Expenses may include the life assured's portion of the monthly average, of the following:

- Contractual Mortgage Repayments; or
- Rent;

As well as:

- Electricity; and
- Internet; and
- Gas; and
- Phone bills/usage costs; and
- Television subscription services; and
- Water; and
- House, Contents and Renters Insurance Premiums; and
- Rates; and
- Body Corporate Fees; and
- Private School Fees; and
- Early Childhood Education costs.

Monthly Domestic Expenses may also include the 100% of the monthly average, where the expense is incurred by the life assured or 50% of the monthly average, where the expense is incurred by the life assured's spouse, civil union or de facto partner (provided they resided at the same address):

Motor Vehicle Insurance Premiums (where paid monthly); and

Hire Purchase, Bank Loan or other Personal Loan (excluding Mortgage) repayments to a Lending Institution; and

Private Motor Vehicle Lease costs (excludes business leases).

The life assured portion means in the event of shared accommodation including but not limited to living with a spouse, civil union or de facto partner, lodging, subletting, or boarding the shared household expenses will be divided by the number of adults sharing the accommodation for which the costs are incurred.

A dependent child of the life assured by way of birth or **Adoption** or who is under the legal guardianship of the life assured at the time of claim, and is under the age of 25 at the date the life assured first becomes totally disabled or partially disabled is not considered an adult for the purposes of 'sharing the accommodation'.

Occupation Class	Total Disability Benefit Definition	The Total Disability Benefit calculation		
Classes 1-4	<p><b>For the first 12 months of disability:</b></p> <ul style="list-style-type: none"> <li>Unable to work in Usual Occupation more than 10 hours per week; or</li> <li>Unable to perform at least 75% of key tasks and responsibilities in Usual Occupation.</li> </ul> <p><b>Following 12 months of disability:</b></p> <ul style="list-style-type: none"> <li>Unable to work in Usual Occupation or any reasonable occupation for more than 10 hours per week; or</li> <li>Unable to perform at least 75% of key tasks and responsibilities in Usual Occupation or any Reasonable Occupation Provided the disability did not arise or continue as a direct or indirect result of a Non-evidenced Illness or Injury</li> </ul>	<p><b>The greater of:</b></p> <ul style="list-style-type: none"> <li>pre-tax income less offsets then times 75%; or</li> <li>Their share of the actual monthly domestic expenses less offsets</li> </ul> <p>Limited to monthly Income and Expenses Cover <b>Sum Insured</b></p>	<p><b>The greater of:</b></p> <ul style="list-style-type: none"> <li><b>(A-B) x 75%; or</b></li> <li><b>C-B; and</b></li> </ul> <p><b>Limited to D; where:</b></p>	<p>(A) = Pre-Disability Income (B) = Offsets (C) = Domestic Expenses (D) = Sum Insured</p>
	Class 5	<ul style="list-style-type: none"> <li>Home/Hospital bound; or</li> <li>Unable to perform 2 Activities of Daily Living (ADL's); or</li> <li>Unable to perform 3 Normal Domestic Duties (NDD's)</li> </ul>	<p><b>The lesser of:</b></p> <p>Sum insured less Offsets; or</p> <p>\$2,500 less Offsets</p>	<p><b>The lesser of:</b></p> <ul style="list-style-type: none"> <li><b>(A-B); or</b></li> <li><b>\$2,500 - B; and</b></li> </ul> <p><b>Limited to A; where:</b></p>

Occupation Class	Partial Disability Benefit Definition	The Partial Disability Benefit calculation		
Classes 1-4	<p><b>For the first 12 months of disability:</b></p> <ul style="list-style-type: none"> <li>Unable to earn at least 75 % of pre-disability income; or</li> <li>Unable to perform at least 25% of key tasks and responsibilities of Usual Occupation; or</li> <li>Unable to work at least 75 % of pre-disability hours.</li> </ul> <p><b>Following 12 months of disability:</b></p> <ul style="list-style-type: none"> <li>Unable to earn at least 75 % of pre-disability income in Usual Occupation or any Reasonable Occupation; or</li> <li>Unable to perform at least 25% of key tasks and responsibilities of Usual Occupation or any Reasonable Occupation; or</li> <li>Unable to work at least 75 % of pre-disability hours in Usual Occupation or any Reasonable Occupation Provided the disability did not arise or continue as a direct or indirect result of a Non-evidenced Illness or Injury</li> </ul>	<p><b>The greater of:</b></p> <ul style="list-style-type: none"> <li>Pre-tax income less offsets then times 75%; or</li> <li>Their share of the actual monthly domestic expenses less offsets</li> </ul> <p>Limited to monthly Income and Expenses Cover Sum Insured</p>	<p><b>The greater of:</b></p> <ul style="list-style-type: none"> <li><b>(A-B) x 75%; or</b></li> <li><b>C-B; and</b></li> </ul> <p><b>Limited to D; where:</b></p>	<p>(A) = Pre-Disability Income (B) = Offsets (C) = Domestic Expenses (D) = Sum Insured</p>
	Class 5	No Partial Disability Benefit	N/A	

Defaulting to Occupation Class 5	Offsets	Pre-Disability Income Calculation	
		Employed	Self-Employed
<p>A life assured is regarded as Occ class 5 if, for the 12 months prior to the disability of the life assured is:</p> <ul style="list-style-type: none"> <li>unemployed</li> <li>on unpaid leave</li> <li>working an average of less than 25 hours per week</li> </ul> <p>Or who at the time of the disability is:</p> <ul style="list-style-type: none"> <li>deregistered, lose their practicing license etc.</li> <li>Incarcerated in a penal institution</li> </ul>	<ul style="list-style-type: none"> <li>Before tax income earned or able to be earned by the life assured from any occupation during a period of disability;</li> <li>any before tax benefits received or entitled to be received from ACC for the same disability; and</li> <li>any monthly benefits received or entitled to be received from any other insurance companies in respect of the same disability (unless the total of all insurance benefits does not exceed 75% of before tax income)</li> </ul>	<p><b>Greater of</b></p> <ul style="list-style-type: none"> <li>Average monthly income in any 12 month period over last 3 years, or</li> <li>Monthly income immediately preceding disability</li> </ul>	<p>Average monthly income in the 12 months immediately preceding disability</p>

This is a summary of Partners Life's Income and Expenses Cover — Refer to the Partners Life Income and Expenses Cover Benefit Sheet for full details. All information correct as at 12th of July 2021.

Base Benefits	Criteria	Benefit	Limitations or Conditions
<b>Waiver of Waiting Period</b>	New or recurrent disability suffered within 12 months of a previous claim ending, and disability lasts more than 30 days.	<b>No additional waiting period applies</b>	For 2 year and 5 year payment, this will be considered a continuation of the previous claim for payment term purposes
<b>Fixed Payment Term Reset Benefit</b>	Payment Term resets for new disability suffered after returning to full time work/not being disabled for at least 12 months	Resets for 2 year and 5 year payment term.	After returning to work or not being disabled for at least 12 months
<b>Bed Confinement Benefit</b>	Confined to hospital or bed under regular medical supervision for minimum of 3 nights, during wait period	<b>1/30th of monthly sum insured</b> per day, paid during waiting period	Until end of waiting period or until no longer hospitalised or confined to bed
<b>Recovery Support Benefit</b>	Receiving monthly benefit and purchased specialised equipment, e.g. mobility devices or home modifications	<b>Reimburses actual costs</b>	<b>Maximum 6 × monthly sum insured</b>
<b>Vocational Retraining and Rehabilitation Benefit</b>	Training/Rehabilitation program must help to improve capacity to return to work	<b>Reimburses actual costs</b>	<b>Maximum 3 × monthly sum insured or \$10,000, whichever is lesser</b>
<b>Return to Work Benefit</b>	Received Vocational Retraining and Rehabilitation Benefit and subsequently returns to pre-disability hours	After 3 months <b>1 × monthly sum insured</b> After 6 months <b>2 × monthly sum insured</b>	-
<b>Increasing Income Benefit</b>	Increase in income prior to age 55	Each increase limited to what can be financially justified with <b>no further assessment of health, occupation or pastimes</b>	<b>Total of all increases limited to 100% of aggregated sum insured</b> , capped at monthly benefit of \$12,000. Claims within 90 days of increase limited to pre-increase sum insured plus 10%

### Reasonable Occupation

Means any occupation or profession that the life assured could reasonably be expected to perform on the basis of the life assured's education, training and experience and for which the market remuneration would be at least 75% of the life assured's **Pre-Disability Income**.

### Activities of Daily Living (ADL)

- Bathing and showering
- Dressing and undressing
- Eating and drinking
- Using the toilet to maintain personal hygiene
- Moving from place to place by walking, wheelchair or with the assistance of a walking aid

### Normal Domestic Duties (NDD)

- Cleaning of the home
- Shopping for the family's groceries
- Cooking of meals for the family
- Taking care of any dependent relatives
- Doing the family laundry