

# Just the facts

## Income Cover - Indemnity Loss of earnings

To replace a significant portion of lost income when your client suffers a total disability or partial disability.



Premium Review Periods	Minimum Entry Age	Maximum Entry Age	Expiry Age	Payment Term Options	Minimum Sum Insured	Maximum Sum Insured	GST	Maximum Replacement Ratio
Yearly Stepped <ul style="list-style-type: none"> <li>Level to Age 65, Non Guaranteed</li> <li>Level to Age 70, Non guaranteed</li> </ul>	16	<ul style="list-style-type: none"> <li>57 for to age 65</li> <li>62 for to age 70 (reduced commission required after age 55)</li> </ul>	<ul style="list-style-type: none"> <li>65</li> <li>70</li> </ul>	<ul style="list-style-type: none"> <li>To age 65 or 70</li> <li>2 or 5 years</li> <li>3, 6 or 12 months</li> </ul>	<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	Apply to premiums, claims and commissions	Up to 75% of income

Worldwide Cover	Paid in Advance	Offsets	Financial Underwriting	Unemployment and Leave Without Pay	Inflation Adjustment and Claims Escalation	Taxation of Premium and Benefit
Yes	Yes	Before tax income earned or able to be earned by the life from any occupation during a period of disability; any before tax benefits received or entitled to be received from ACC for the same disability; and 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 62.5% for Non Taxable Agreed Value and 75% for Taxable Agreed Value before tax income)	Financially underwritten at time of claim	If longer than 12 months, reverts to occupation class 5, with maximum benefit amount of \$2,500	Automatically applied annually; actual inflation % or minimum 5% as selected at application. Nil indexing option available with level premium review period options. Claims escalation does not apply to level premium review periods with no indexing.	It is our understanding that premiums payable are tax deductible and claims proceeds received are taxable as income.

Occupation Class	Pre-Disability Income Calculation		Total Disability Benefit		Partial Disability Benefit		TPD Benefit		Wait Period
	Employed	Self-Employed	Definition	Benefit Calculation	Definition	Benefit Calculation	Criteria	Calculation	
<b>Classes 1-4</b>	<b>Greater of:</b> <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>	Highest average monthly income in any 12 month period over last 3 years	<ul style="list-style-type: none"> <li>Unable to work more than 10 hours per week; or</li> <li>Unable to perform at least 75% of key tasks and responsibilities</li> </ul>	<b>The lesser of:</b> <ul style="list-style-type: none"> <li>The sum insured; or</li> <li>(Pre-disability income less any offsets) × 75%</li> </ul>	<ul style="list-style-type: none"> <li>Earns less than 75% of pre-disability income, or</li> <li>Unable to work more than 75% pre-disability hours, or</li> <li>Unable to perform 25% of key tasks and responsibilities</li> </ul>	<b>The lesser of:</b> <ul style="list-style-type: none"> <li>The sum insured; or</li> <li>(Pre-disability income less any offsets) × 75%</li> </ul>	<ul style="list-style-type: none"> <li>Total disability claim for 12 months and unlikely to ever return to <b>own occupation</b>; or</li> <li>Permanent cognitive impairment; or</li> <li>Blindness; or</li> <li>Loss of use of hands, feet, or 1 hand and 1 foot; or</li> <li>Loss of sight in 1 eye and use of 1 hand or foot; or</li> <li>Unable to perform 2 Activities of Daily Living (ADL's)</li> </ul>	24 × sum insured (reduced for payment terms less than 2 years)	4, 8, 13, 26, 52 & 104 weeks
<b>Class 5</b>	-	-	<ul style="list-style-type: none"> <li>Home/Hospital bound, unable to perform 2 Activities of Daily Living (ADL's); or</li> <li>Unable to perform 3 Normal Domestic Duties (NDD's)</li> </ul>	<b>The lesser of:</b> <ul style="list-style-type: none"> <li>The sum insured minus any offsets; or</li> <li>\$2,500 per month minus any offsets</li> </ul>	No Benefit Payable	No Benefit Payable	<ul style="list-style-type: none"> <li>Permanent cognitive impairment; or</li> <li>Blindness; or</li> <li>Loss of use of hands, feet, or 1 hand and 1 foot; or</li> <li>Loss of sight in 1 eye and use of 1 hand or foot; 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>	24 × sum insured (reduced for payment terms less than 2 years)	13, 26, 52 & 104 weeks

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### 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

### 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

Base Benefits	Criteria	Benefit	Limitations or Conditions
<b>Partial Disability Bonus</b>	Minimum of 1 month's total disability benefit paid and receiving Partial Disability Benefit	An additional <b>25% of monthly sum insured</b>	Ends at the earlier of 12 months, or the earlier of either the cover or payment term ending, or when client is no longer partially disabled
<b>Bed Confinement Benefit</b>	Confined to hospital or bed under regular medical supervision by a Specialist, Medical Doctor or Registered Nurse for minimum of 3 nights during wait period	<b>1/30th of monthly sum insured</b> per day, paid during wait period	Until end of waiting period or until no longer hospitalised or confined to bed
<b>Childcare Assistance Benefit</b>	Additional childcare costs incurred as a direct result of disability	<b>Reimburses actual costs</b>	<b>Maximum of \$800 per month per dependent child under 14</b> , for a maximum of 6 months, or to the end of either the cover or payment terms, or when client is no longer disabled
<b>Death Benefit</b>	Death of life assured while cover is in force	<b>3 × monthly sum insured</b>	-
<b>Waiver of Waiting Period</b>	New or recurrent disability suffered within 12 months of previous claim ending, and disability lasts more than 30 days. Clients suffering a new disability can choose not to exercise this option	-	For payment terms other than to age 65 or to age 70, where waiting period is waived, a new claim will be considered a continuation of the previous claim for payment term purposes
<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> payment terms > 12 months <b>Maximum 3 × monthly sum insured</b> payment terms = 12 months <b>Maximum 1 × monthly sum insured</b> payment terms < 12 months
<b>Return to Home Benefit</b>	Working or living overseas for minimum 3 months prior to disability	<b>Reimburses actual costs</b>	<b>Maximum \$10,000</b> over the life of the policy

Base Benefits	Criteria	Benefit	Limitations or Conditions
<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 24 × monthly sum insured</b> Not available for payment terms less than 2 years
<b>Return to Work Benefit</b>	Received Vocational Retraining and Rehabilitation Benefit and subsequently returns to full-time work	<b>After 3 months 1 × monthly sum insured</b> <b>After 6 months 2 × monthly sum insured</b>	-
<b>Special Care Benefit</b>	On claim and requiring full-time care	<b>Lesser of monthly sum insured, actual cost of professional carer, 75% of family member's after tax income, or \$2,500</b>	<b>Maximum 6 months</b> , or to the end of either the cover or payment term, or when client is no longer totally disabled
<b>Total and Permanent Disability Benefit</b>	<b>Own occupation</b> definition classes 1-4 Refer to 'TPD Benefit' previous page for more detail	<b>Lump sum of 24 × monthly sum insured</b>	<b>24 × monthly sum insured</b> payment terms > 12 months <b>12 × monthly sum insured</b> payment terms = 12 months <b>3 × monthly sum insured</b> payment terms < 12 months
<b>Emergency Transportation Benefit</b>	Emergency transport recommended by medical doctor or specialist	<b>Reimburses actual costs</b>	<b>Maximum 3 × monthly sum insured</b> once per 12 months
<b>Increasing Income Benefit</b>	Increase in income prior to age 55	Each increase limited to what can be financially justified <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%
<b>Fixed Payment Term Reset Benefit</b>	New or recurrent disabilities	Resets shorter Payment Terms	After returning to work for 12 months

Specific Injury and Critical Illness Benefits	Specific Injury Benefit – Specified Injuries	Critical Illness Benefit Covered Conditions		
<p>If your client suffers one of the listed injuries or illnesses, we will pay the sum insured for the lesser of the payment term and either the specified payment period (Specific Injury Benefit) or six months (Critical Illness Benefit) irrespective of whether they are totally or partially disabled</p> <p><b>No offsets apply</b></p> <p>Both benefits pay monthly in advance from the date of injury</p> <p>If disability lasts longer than the payment period the total or partial disability benefit will commence at the end of the wait period</p>	<b>Fractured:</b> <ul style="list-style-type: none"> <li>• Collarbone</li> <li>• Forearm</li> <li>• Wrist</li> <li>• Ankle</li> <li>• Elbow</li> <li>• Heel</li> <li>• Leg above knee</li> </ul>	<ul style="list-style-type: none"> <li>• Jaw</li> <li>• Skull</li> <li>• Kneecap</li> <li>• Leg below knee</li> <li>• Shoulder</li> <li>• Pelvis</li> </ul>		
	<ul style="list-style-type: none"> <li>• Upper arm</li> <li>• Vertebrae</li> </ul>	<ul style="list-style-type: none"> <li>• 30 days</li> <li>• 30 days</li> <li>• 45 days</li> <li>• 60 days</li> <li>• 60 days</li> <li>• 60 days</li> <li>• 90 days</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Angioplasty (Triple)</b></li> <li>• <b>Aortic surgery</b></li> <li>• <b>Cancer</b></li> <li>• <b>Chronic kidney failure</b></li> <li>• <b>Chronic liver failure</b></li> <li>• <b>Chronic lung failure</b></li> <li>• <b>Coronary artery surgery</b></li> </ul>	
	<ul style="list-style-type: none"> <li>• Thumb and index finger</li> <li>• Foot or hand</li> <li>• Whole arm or leg</li> <li>• Any two hands, feet, eyes, or combination thereof</li> </ul>	<ul style="list-style-type: none"> <li>• Sight in one eye</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Multiple sclerosis</b></li> <li>• <b>Organ transplant</b></li> <li>• <b>Stroke</b></li> </ul>	
	<ul style="list-style-type: none"> <li>• 6 months</li> <li>• 12 months</li> <li>• 18 months</li> <li>• 24 months</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Heart attack</b></li> <li>• <b>Heart valve replacement</b></li> <li>• <b>Major burns</b></li> <li>• <b>Major head trauma</b></li> </ul>		
	<ul style="list-style-type: none"> <li>• Paralysis</li> </ul>	<ul style="list-style-type: none"> <li>• i.e. diplegia, hemiplegia, paraplegia, or quadriplegia</li> </ul>	<ul style="list-style-type: none"> <li>• 60 months</li> </ul>	

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Options	Criteria	Benefit	Limitations or Conditions
<b>Reduction in Waiting Period Option</b>	Any change in occupational circumstances justifying a reduction in wait period	<b>No further medical underwriting</b>	New waiting period must be justifiable Request within 90 days of change in occupational circumstances or within 60 days of the policy anniversary
<b>Dependent Caregiver Option</b>	Parent, child, sibling, grandparent, grandchild, mother-in-law, father-in-law, spouse, de facto partner, or civil union partner; under age 65 when first disabled	<b>Lesser of monthly sum insured or \$3,500</b> per month	<b>Maximum 6 months</b> Must use all leave entitlements first Pre-existing conditions specifically excluded
<b>Retirement Protection Option (KiwiSaver)</b>	Be a member of KiwiSaver	<b>Monthly sum insured × 2%, 4% or 6%</b>	Benefit is paid directly to client's KiwiSaver fund
<b>Payment Term Restriction Option</b>	For disability arising as a result of illness or injury which are predominantly self-reported or not supported by medical evidence	<b>10% premium discount</b>	Limits payment term to 1 year, irrespective of the selected payment term. Not available for payment terms of 12 months or less.
<b>Booster Option</b>	Client disabled beyond the waiting period	<b>Monthly benefit increased by 1/3</b> for first 3 payments	12 month stand-down for same illness/injury Not available for payment terms less than 12 months
<b>Total and Permanent Disability Booster Option</b>	A Total and Permanent Disability Benefit has been paid	<b>Monthly benefit becomes the monthly sum insured plus an additional 1/3</b> No offsets apply	Not available for payment terms 12 months or less