

# Trauma covers

## Deferred Buy-Back Option (Trauma Cover, Moderate Trauma Cover and Severe Trauma Cover)

The new trauma buy-back option similar to Partners Life's original Trauma Cover, Moderate Trauma Cover and Severe Trauma Cover buy-back options, allowing buy-back of trauma cover after a stand-down period of 12 months.

Partners Life's Trauma Cover, Moderate Trauma Cover and Severe Trauma Cover, are legendary for their ability, **in combination**, to create flexible trauma cover solutions. Advisers have the ability to create trauma solutions that allow clients to afford cover for the high sums insured they require if they suffer a severe trauma condition, while at the same time allowing for smaller payments for a comprehensive range of less severe trauma conditions. This can be considered, 'depth' of cover: Clients have enough cover in place to properly protect against the full financial risk they may face, regardless of whether this happens in one event or over time as their condition deteriorates.

For 'breadth' of trauma cover, that's cover for multiple separate trauma events, one of Partners Life's trauma cover buy-back options should be considered.

### Partners Life trauma cover buy-back options

In addition to Partners Life's newly upgraded Immediate Buy-Back Option, Partners Life has introduced a new trauma buy-back option called Deferred Buy-Back Option. The Deferred Buy-Back Option includes much of the traditional nature of Partners Life's original trauma buy-back option, allowing unlimited buy-back of trauma cover paid after a 12-month stand-down, and, with permanent exclusion of the trauma Covered Condition claimed on.

Please study the documentation and policy wording for more details on the differences between the two buy-back options and the associated full terms and conditions.

### Key features of Partners Life's Deferred Buy-Back Option.

#### Buy-back after claim is not automatic

Buy-back of trauma cover is not automatic with the Deferred Buy-Back Option. Clients have a narrow window of opportunity to actively buy-back their cover if they so choose. Clients must buy back their cover within 60 days of the 12-month anniversary date of their previous trauma claim payment.

#### Buy-back of trauma cover is not immediate

There is a 12-month stand-down before clients can buy back their trauma cover. During the stand-down period, because clients have no trauma cover until it is bought back, no premium payment is due. Premiums will commence if and when they buy their cover back.

#### Cover after a claim

Cover bought back under the Deferred Buy-Back Option excludes:

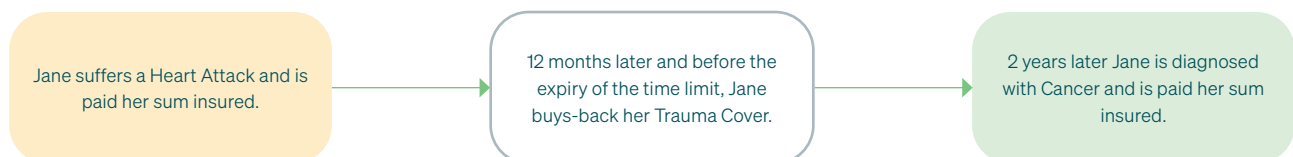
- Claims related to any previous claim; and
- The claimed-on trauma Covered Condition, whether the condition is related or not; and
- All Cardiovascular trauma Covered Conditions following previous claims for Stroke or Heart Attack.

#### Multiple opportunities to claim

There is no limit to the number of times cover can be bought back under the Deferred Buy-Back Option.

### How the Deferred Buy-Back Option works - using some Trauma Cover examples

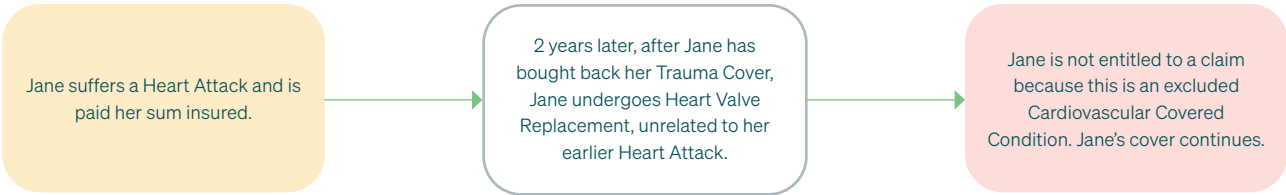
Example one – subsequent claim paid.



Example two – cover does not continue until it is bought- back.



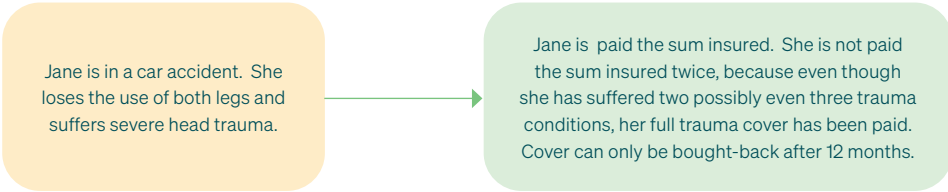
Example three – subsequent Cardiovascular Covered Condition claim.



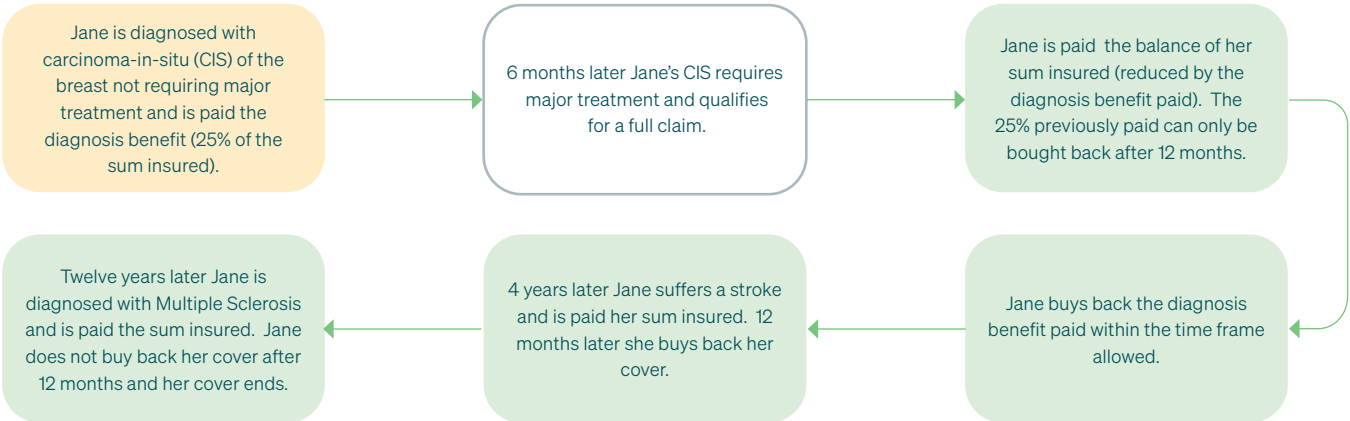
Example four – subsequent claim for the same Covered Condition.



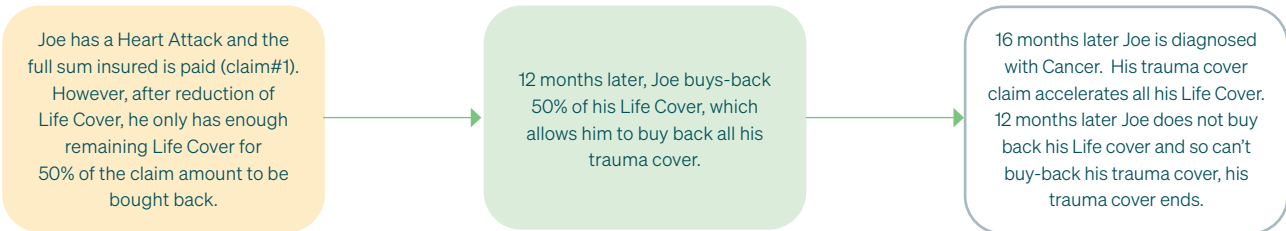
Example five – multiple trauma conditions arising from the same event.



Example six – combination of partial claims (Diagnosis Benefit or Partial Payment Condition claims) and full payment claims.



Example seven - accelerated Trauma Cover claims where available Life Cover is not sufficient for buy-back.



Frequently asked questions

**Q. Are combinations of Trauma Cover, Moderate Trauma Cover and Severe Trauma Cover still necessary if the Deferred Buy-Back Option is selected?**

A. In short probably yes, layering combinations of Severe Trauma Cover, Moderate Trauma Cover and Trauma Cover, is a strategy that allows clients to afford the very large sums insured they need to properly protect against severe trauma conditions, while still having cover for more minor trauma conditions. Severe Trauma Cover in particular provides the necessary trauma cover (suitable 'depth' of cover) for severe trauma conditions, at significantly reduced premium.

The Deferred Buy-Back Option does not provide 'depth' of cover, it provides 'breadth' of cover: Cover for multiple (unrelated) trauma claims and claims against different trauma Covered Conditions, if that is what the client needs.

**Q. Can clients take both trauma buy-back options?**

A. Clients can't take both options under the same Trauma Cover, Moderate Trauma Cover or Severe Trauma Cover, benefit. They can take different buy-back options on different benefits, for example, Trauma Cover #1 and Trauma Cover #2, or Trauma Cover and Moderate Trauma Cover.

**Q. Do the Deferred and Immediate Buy-Back options cost the same?**

A. The Deferred Buy-Back Option costs less than the Immediate Buy-Back Option in three ways:

1. The premium payable for the Deferred Buy-Back Option is less than that payable for the Immediate Buy-Back Option; and
2. After a claim, clients with the Deferred Buy-Back Option don't have trauma cover during the 12-month stand-down following a claim payment and so don't pay a premium. Premiums will commence for any trauma cover bought back if and when the client buys it back; and
3. After cover is bought back, depending on the Covered Condition originally claimed on (which is thereafter excluded from the bought back trauma cover), a premium discount may apply.

**Q. What happens with accelerated trauma covers where the Life Cover reduced after a trauma claim is not sufficient to buy back trauma cover?**

A. Where the Life Cover remaining after an accelerated trauma claim is insufficient to buy-back the full amount of the trauma claim paid, the trauma cover bought-back will be limited to the amount of Life Cover remaining. If the life assured's Life Cover is increased by exercising the Life Cover Buy-Back, the trauma cover can also be bought-back to a maximum of the trauma cover claim previously paid.

If the necessary remaining Life Cover to support a trauma buy-back drops to zero and Life Cover is not increased or bought back by the time the trauma cover Deferred Buy-Back Option exercise window expires, the Deferred Buy-Back Option will expire, and that trauma cover will end.

**Q. Why doesn't cover bought-back pay again for the same Covered Condition?**

A. Paying subsequent claims for the same Covered Condition requires a high premium. In order to provide a lower cost buy-back alternative, the Deferred Buy-Back Option permanently excludes the claimed-on trauma Covered Condition. If trauma cover for subsequent **unrelated** incidences of the claimed-on trauma Covered Condition is important, consider the Immediate Buy-Back Option.

**Q. Why do you exclude subsequent unrelated Cardiovascular Covered Condition claims if the first claim is for Stroke or Heart Attack?**

A. Cardiovascular claims are often related and share many of the same risk factors. Research shows that the likelihood of suffering a subsequent Cardiovascular trauma Covered Condition is relatively high, which adds to cost. If the client wants or needs cover for unrelated Cardiovascular trauma Covered Conditions, consider the Immediate Trauma Cover Buy-Back Option, which does offer cover for (unrelated) Cardiovascular Covered Conditions after a 36-month exclusion period.

Clients with **Partners Life Income Cover (excluding Income and Expenses Cover), Household Expenses Cover and Mortgage Repayment Cover, and Private Medical Cover** will likely find that these products will go some way to covering losses caused by a second Cardiovascular event unless it is serious. Private Medical Cover will pay for covered medical expenses and Partners Life's Income Cover (excluding Income and Expenses Cover), Household Expenses Cover and Mortgage Repayment Cover, include payments for many Cardiovascular conditions under the built-in Critical Illness Benefit. For a subsequent more serious Cardiovascular event, suitable **depth of cover (combining with Moderate Trauma Cover and/or Severe Trauma Cover) may be a more appropriate solution.**

**Q. How does the Deferred Buy-Back Option differ from the Immediate Buy-Back Option?**

A. The following is a comparison of some of the **main differences**. As always, advisers should fully inform themselves of the details and advantages and disadvantages of both options, by studying the policy wording, so that they can communicate the benefits and risks clearly to clients.

Item	Deferred Buy-Back Option	Immediate Buy-Back Option
Interruption of trauma cover after claim?	Yes – a 12-month stand-down applies during which there is no trauma cover	No – trauma cover for claims against many different Covered Conditions continues
Client action required to buy back cover?	Yes – within time limits after stand-down ends	No - automatic
Premium payable after claim and before buy-back?	No – during the 12 months stand-down the client has no cover, so no premium is payable	Buy back is immediate and cover continues, so premium continues to be payable
Premium discount after buy-back?	Yes, depending on the Covered Condition previously claimed – because claimed Covered Conditions are totally and permanently excluded from cover bought back	No – because claimed Covered Conditions are not totally and permanently excluded from cover bought back
Original claim Covered Condition excluded on buy-back?	Yes	No – covered after 12 months for Covered Conditions other than Cancer and Cardiovascular conditions (which are covered after 36 months)
Cover for related claims after buy-back?	No	No
Limited number of buy-back?	No	Yes – Immediate buy-back expires after the sum insured has been bought back three times (cover then continues for the last time).
Maximum number of possible claims?	Limited only to the number of Covered Conditions that remain covered after buy-back.	Claims limited in aggregate to payments equaling four times the sum insured

**Finally, please remember**

There are lots of advice issues to consider when making recommendations to clients. Please take the time to understand the Deferred Buy-Back Option as well as our Immediate Buy-Back Option and how the two differ. Please also ensure you understand the differences between our different trauma products and how they can best be used in combination, to provide superior trauma cover solutions for each individual client’s specific needs and circumstances. As always, the Partners Life team is available to answer any questions you may have.

**Please note: All examples used in this document are for Trauma Cover, not Moderate Trauma Cover or Severe Trauma Cover. Although Deferred Buy-Back works the same for Moderate Trauma Cover and Severe Trauma Cover, some of their Covered Conditions are different, and may result in outcomes different to the examples provided.**

**Disclaimer:**

This document provides an overview only of Product Changes and Benefit Improvements made in November 2022. The full terms and conditions that apply are detailed within the Policy Document(s). Advisers must familiarize themselves with the relevant Policy provisions before providing advice to their clients on them. This document is intended to provide information about the changes made to the Products and is not a substitute for commercial judgment or professional advice, which should be given prior to acting in reliance upon it. To the extent permitted by law, Partners Life and its Related Companies disclaim liability or responsibility to any person for any direct or indirect loss or damage that may result from any act or omission by any person in relation to, or in reliance on, the information supplied. Where any conflict arises between what is said herein and the Policy Document(s), the Policy Document(s) will prevail.