

Household Expenses Cover



Household Expenses Cover provides a financial safety net should you be disabled as a result of sickness or injury, and unable to meet your regular household expenses. The monthly benefit is designed to cover essential household expenses on your behalf during treatment and recovery.

You can have Household Expenses Cover irrespective of your actual income to provide coverage for your actual monthly eligible household expenses as listed below or 5% of your gross monthly income whichever is higher.

Essential expenses

The expenses that can be covered under the Partners Life Household Expenses Cover are:

- Electricity
- Gas
- Water
- Phone
- Rent
- Rates
- Body Corporate Fees
- Paid Television
- Internet
- House, Contents and Motor Vehicle Insurance Premiums
- Hire Purchase, Bank Loan or other Personal Loan Repayments
- Private School Fees

If you don't pay rent but have a mortgage on your own home, you can use the Household Expenses Cover to protect the other expenses in addition to any Mortgage Repayment Cover you may have.

Your choice of waiting periods and payment terms

Partners Life's Household Expenses 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 Household Expenses 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 Household Expenses 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 Household Expenses Cover Protection Benefit Sheet.

- 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 Household Expenses 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.

- Aortic Surgery
- Cancer
- Chronic Kidney Failure
- Chronic Liver Failure
- Chronic Lung Failure
- Coronary Artery Surgery
- Heart Attack
- Major Burns
- Major Head Trauma
- Multiple Sclerosis
- Stroke

*For payment terms of 3 months, this benefit will pay a maximum of 3 months.

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 the Household Expenses Cover, the chosen waiting period will be waived for the second disability. Partners Life does this to reflect the fact that you will 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 Household Expenses Cover, Partners Life may pay up to 24 times the monthly benefit to reimburse costs associated with retraining and/or rehabilitation programs 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 rewards

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 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 under the Return to Work Benefit 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 Household Expenses 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 Household Expenses Cover sum insured is payable to assist with funeral expenses should a life assured die whilst covered under the Household Expenses Cover.

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 Household Expenses Cover will pay you a lump sum of up to 24 times the monthly Household Expenses Cover sum insured and your regular monthly benefit will also continue.

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 Household Expenses 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 Household Expenses Cover.

Increasing the amount of your cover to match increasing expenses

In addition to actual inflation, Partners Life recognises that your household expenses can change unexpectedly, and each time your expenses increase there is a financial need to increase your Household Expenses Cover to keep the pace. Increasing Expenses Benefit allows your Household Expenses Cover sum insured to be increased without further health assessment (up to certain limits) whenever your household expenses increase.

Future proofing the value of your amount of cover

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

Redundancy Cover Option

You have the option to purchase the Redundancy Cover Option which will provide for up to 6 months of household expenses being paid on your behalf in the event that you are made involuntarily redundant by your employer (up to certain limits). A 90 day stand down period will apply following commencement of this Redundancy Cover Option. This Redundancy Cover Option is not available for payment terms shorter than 6 months.

Reduction in waiting period option

You have the option to purchase 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 Household Expenses Cover sum insured 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 either a 2%, 4% or 6% contribution rate. In the event of a disability Partners Life will contribute the selected percentage of the monthly Household Expenses sum insured directly to your KiwiSaver provider. This contribution is in addition to your monthly benefit.

Conversion to Mortgage Repayment benefit

Partners Life recognises that personal circumstances can change and at some future date you may change from paying rent to paying a mortgage. If this occurs, you have the option to convert some or all of your Household Expenses Cover sum insured to Mortgage Repayment Cover without any further health assessment (certain exclusions apply).

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.

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 Household Expenses Cover, we will also increase your monthly benefit from then on by a further one-third of your sum insured. You will receive your full monthly Household Expenses 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.

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 Household Expenses Cover premium. So you can take comfort that you will pay increasingly less for your Household Expenses 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 Household Expenses 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 Household Expenses Cover without being reassessed.

Keeping your Partners Protection Plan up to date

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

Worldwide cover

Your Household Expenses Cover is valid wherever you may be in the world.

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This overview is a marketing document that highlights a number of the key features of Household Expenses Cover. The full terms and conditions that apply to those features and to the overall Partners Protection Plan are detailed in the Household Expenses Cover Protection Benefit Sheet and Partners Protection Plan Policy Document available from your adviser.