

# Monthly Mortgage Repayment

For most people, a significant part of their income is spent on rent or monthly mortgage repayments. If you are unable to work due to sickness or injury, then Fidelity Life's Monthly Mortgage Repayment Cover can assist with monthly benefit payments. This means you can focus on the more important things in life, like getting better.

## ABOUT MONTHLY MORTGAGE REPAYMENT COVER

Monthly Mortgage Repayment Cover provides an agreed monthly benefit to help meet your mortgage repayments or other similar types of obligations, such as a rental agreement. The cover pays out if you are totally or partially unable to work due to sickness or injury. The benefit is based on either 110% of your contractual mortgage repayments or 40% of your income. Other income is typically not offset against this benefit (up to certain amounts).

## WHY YOU MIGHT NEED THIS TYPE OF COVER

If you have a mortgage, or are renting then your regular payments will likely form a significant portion of your monthly living expenses. Having Monthly Mortgage Repayment Cover means that if you are unable to work due to sickness or injury then you have the comfort of knowing that you will not get behind in payments and can focus on getting well.

## KEY FACTS

### Ages

- Entry age is from age 16 to 59.
- Cover ends at age 65.

### Level of cover

- Agreed value – either 40% of gross income or 110% of your contractual monthly mortgage repayment.

### Premiums

- Payable fortnightly, monthly, quarterly, half-yearly or annually.

### Flexibility

- You have a choice of a 2, 4, 8, 13, 26, 52, 104 week waiting period and a benefit period of two years, five years or to age 65.

## STANDARD FEATURES

### Total disability benefit

If during the waiting period you have been continuously totally or partially disabled and at the end of the waiting period you are totally disabled, a total disability benefit may be payable. The total disability benefit is payable in advance from the end of the waiting period.

### Partial disability benefit

If during the waiting period you have been continuously totally or partially disabled, and after:

- the end of the waiting period or
- a period of total disability after the waiting period,

you continue to be partially disabled, a partial benefit may be calculated effective from the end of the waiting period. The partial disability benefit is payable in arrears.

If you are partially disabled, it means you can work part-time but there is a reduction in your earnings.

### Rehabilitation and retraining benefit

This is payable in addition to the monthly benefit, if you undertake an approved rehabilitation programme for the purpose of retraining or re-education. The maximum is 50% of the approved costs up to a maximum of 50% of the monthly benefit for up to 12 months. The balance of the approved costs up to 50% of the monthly benefit, will be paid when you return to paid work for 20 hours or more.

### Recovery support benefit

This is payable in addition to the monthly benefit, to assist in recovery and rehabilitation costs such as buying a wheelchair, prosthetic devices, and house and care modifications. The maximum benefit payable is six times the monthly benefit.

### Family member support benefit

If you are confined to bed, and require full-time care, this provides financial support for immediate family members who provide care and whose own income ceases as a result.

### Future insurability

You can increase the monthly benefit, without medical evidence, if you take out a new mortgage or increase repayments on an existing mortgage.

### Hospitalisation benefit

This provides additional financial support for bed care during the waiting period for up to 90 days.

### Benefit period reset

If we have paid you a claim and you suffer from the same or a related injury or sickness after returning to full time paid work for at least 12 continuous months and you become disabled or partially disabled, the benefit period and waiting period will start again.

### Relocation benefit

This covers the cost of an economy airfare directly back to New Zealand if disabled whilst overseas (maximum \$5,000).

### Waiver of waiting period

The waiting period of a new unrelated claim is waived in certain circumstances.

### Recurring claim benefit

The waiting period is waived on claims which result from a relapse or recurrence of the same or related illnesses within 12 months of returning to work.

### Unemployment

Benefits can still be paid even though you are unemployed, though the definition of disability changes.

### Leave without pay

This may allow you to cancel this cover with a right to reinstate without evidence of health if you take a period of leave without pay or become involuntarily unemployed for reasons other than disability. Limits and conditions apply.

## OPTIONAL BENEFITS

### Waiver of Premium

While a disability or partial disability benefit claim is being paid for an insured person with the waiver of premium cover, the premiums due on the policy after the waiting period ends will be waived and premiums due and paid during the wait period will be refunded.

### Extra benefits option – includes the following:

- **Death benefit**

A lump sum of three times the monthly benefit is payable if you die.

- **Total and Permanent Disability benefit**

Provides a benefit of 24 times the monthly benefit where the insured person has been paid a monthly benefit for 12 consecutive months and where the insured person is totally and permanently disabled.

- **Specific injury benefit (see table)**

A benefit for specific injuries, payable whether you are working or not, with no offsets.

- **Specified medical condition benefit**

If you suffer one of the specified medical conditions we will pay you the monthly benefit for a minimum period of six months, whether you are working or not. The specified medical conditions are – angioplasty-triple vessel\*, aorta surgery\*, cancer\*, chronic kidney failure (renal failure), coronary artery bypass surgery\*, heart attack\*, heart valve surgery\*, major organ transplant, multiple sclerosis, paralysis, severe burns, stroke\*.

Cover for conditions marked\* does not start until three months after the cover commencement date.

### Redundancy Benefit option

If you are made redundant or declared bankrupt, an optional benefit may be payable for up to six months.

### Claims Escalation option

While on claim your benefit will be linked to the Consumer Price Index (CPI) and adjusted every quarter.

### Booster benefit option

This option increases your disability benefit by one third during the first three months of your claim. Where a partial disability benefit is paid after the waiting period ends, an additional 25% of that amount will be paid for up to a maximum of 12 months.

### Extended benefit option

This option allows your benefits to continue if you have been disabled for at least three months immediately before your 65th birthday and you are unable to perform two or more activities of daily living.

### All of the optional benefits above require payment of an additional premium

### Back and mental disorder limitation

A discount of up to 20% is given for choosing to limit the benefit period to 24 months for back and mental disorders. The claim will be paid beyond two years if the insured person is unable to carry out two or more activities of daily living.

### Inflation protection

To ensure your benefit keeps pace with inflation, you can choose to have your cover increase each year by the greater of 2% or the Consumer Price Index, regardless of health.

Where premiums are level and the indexation option has been selected, the sum assured will be increased by a fixed rate of 2% each year.

### SPECIFIC INJURY BENEFIT

Specific Injury means:	Payment Period
Fracture of skull, jaw	30 days
Fracture of forearm, collarbone	30 days
Fracture of wrist, hand (excluding fingers)	45 days
Fracture of upper arm, shoulder bone, elbow	60 days
Fracture of vertebrae	60 days
Fracture of kneecap	60 days
Fracture of ankle, heel	60 days
Fracture of leg below the knee (tibia or fibula)	60 days
Fracture of leg above the knee (femur), pelvis	90 days
Loss of thumb and index finger of the same hand	6 months
Loss of one foot or one hand or sight in one eye	12 months
Loss of one leg or arm	18 months
Loss of any combination of two of the following: a hand, a foot, sight in one eye	24 months
Loss of both feet or both hands or sight of both eyes	24 months
Paralysis (Diplegia, Hemiplegia, Paraplegia, Quadriplegia, Tetraplegia)	60 months

Fracture means the disruption in the continuity of bone, with or without displacement, as a result of an accident. The fracture must be shown by radiographic or scanning technique and be diagnosed by a medical practitioner within 30 days of the incident giving rise to the fracture. For full requirements please refer to the policy wording.



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\*Fidelity Life has an A- (Excellent) financial strength rating from A.M. Best. The rating scale that this forms part of is available for inspection at our offices. For more information please visit [fidelitylife.co.nz/about-fidelity-life/our-financial-strength](http://fidelitylife.co.nz/about-fidelity-life/our-financial-strength).

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