



# MORTGAGE AND INCOME PROTECTION

## Are you protecting your mortgage and rent payments?

If you couldn't work for months or even years because of illness or injury, would you be able to cover your mortgage or rent payments?

For most people housing makes up the biggest portion of their outgoings each month and can be the biggest concern if they lose their income. Mortgage and Income Protection cover can help you look after what you have now, regardless of what happens in the future.

If you were to have an illness or injury, mortgage and income protection cover can provide you with regular monthly payments so you won't be worried about your mortgage repayments when you should be focussed on regaining your independence.



# WHY CHOOSE US?



## New Zealand's largest life insurer

During our many years in business, Sovereign has worked alongside thousands of customers as they deal with difficult moments in their lives.

We currently protect more than 646,000 New Zealanders and their families.



## Guaranteed enhancements

We regularly review our TotalCareMax products to ensure that they continue to meet your changing needs.

Our Guaranteed Enhancement Benefit ensures that you automatically benefit from all changes without having to re-apply for cover.



## Financial stability for peace of mind

Sovereign has an A+ (Superior) financial strength rating from A.M. Best. The financial strength is an assessment of an insurer's ability to meet obligations to policyholders.

A.M. Best is an approved insurance rating agency in terms of the Insurance (Prudential Supervision) Act 2010.

Copy of the ratings scale of which the rating forms part, is available on our website.



## Best possible treatments

With access to independent specialists, we can also help find the best possible treatments for you, which could include occupational therapy sessions, psychiatric consultations, and other medical assessments, even if they aren't near where you live.



## You'll be supported by the largest claim team in New Zealand

Paying your income protection claim is just one part of the story: We have proactive focus on rehabilitation, getting you back to health and living your life.

Our claims team is dedicated to understanding and delivering the support you need to get your life back on track.



## We look for ways to say 'yes' to claims

Our large and experienced claims team works to get you paid as quickly as possible.



## Fill out only one claim form

If you have more than one insurance policy with Sovereign and have an illness or are injured, you only need to fill out one claim form and we take care of the rest. This lets you focus on your recovery.

## When can Mortgage and Income Protection help you out?

Mortgage and Income Protection cover is powerful – if you're unable to work because of sickness or injury, it will cover your mortgage or rent payments.

### TOTAL DISABILITY BENEFIT

You will get a full benefit if you are totally disabled. **Total disability** means that you're so seriously incapacitated by illness or injury that you are unable to follow your work or carry on the business you were involved in immediately before the disablement date for more than ten hours per week.

The definition of totally disabled that applies depends on the type of occupation you have (occupation class). Your occupation class will be in your policy schedule.

### PARTIAL DISABILITY BENEFIT

You will get a **partial disability benefit** if you have been totally disabled for at least 14 days and then immediately engage in paid work, or carry on business at a reduced income compared to your income prior to becoming totally disabled. Certain conditions must be satisfied.

Total and partial disability benefits are subject to wait periods, (the length of time you will have to wait between claiming and receiving a benefit).

For further information about these core benefits, please talk to your adviser or refer to your policy document.



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# FEATURES

## of Mortgage and Income Protection insurance cover

### If you're unable to work because of illness or injury, here are some features you may be eligible for dependant on your situation:

<b>Recurrent Disability Benefit</b>	If you're affected by the same disability or injury within 12 months of your recovery, we may waive the waiting period.
<b>Vocational Retraining Benefit</b>	To help you return to work, you may be eligible for a vocational retraining programme – we'll cover the fee charged by the institution providing the programme.
<b>Property Special Events</b>	In some situations you might want to increase your sum assured. These can be an increase in your current mortgage, or the purchase of a new residential property, a vacation home, or bare block of residential land. In these instances you can increase the sum assured without needing to provide further medical information, (subject to limits).
<b>Home Modification or Equipment Support</b>	If you become totally disabled, you may have access to a lump sum payment to help cover the cost of specialised equipment or completing home alterations.
<b>Bed Confinement</b>	If you are confined to bed under full-time care during your wait period, either at home or hospital, you may be eligible for a bed-confinement benefit.
<b>Suspension of Cover</b>	If you go on parental leave or leave without pay, you can suspend your cover for up to 12 months. You won't have to go through the complexity of reapplying for cover when you decide to resume cover again.  While your cover is suspended, no claim will be payable.
<b>Waiver of Premiums</b>	If you are unable to work due to total disability, we will waive your premium payments while your insurance remains in place. This benefit is compulsory with Income Protection cover.
<b>World-wide Cover</b>	You're covered anywhere in the world, 24 hours a day.

### Optional features to consider when you're taking out cover:

<b>Retirement Protection</b>	You can keep contributing to your KiwiSaver while you are on a total disability claim. We pay an agreed contribution directly to Inland Revenue and this enables you to continue receiving the member tax credits.
<b>Redundancy Cover</b>	If you're made redundant, you'll be covered with monthly payments for up to 6 months.
<b>Claim Indexation</b>	Your sum assured will increase every year by the same amount as the CPI, (New Zealand Consumer Price Index). This helps your sum assured stay in line with inflation.
<b>Mental Health Limitation</b>	Choosing this option will reduce your premiums but means if you make a claim for mental health, you'll receive payments for only two years throughout the life of your policy.  This option is only available if you choose benefit period to age 65 or 70.

# SOME CHOICES YOU HAVE

## Base cover options

You can choose to cover:

Up to **115%** of your contractual mortgage repayments on your residential property

or

**45%** of your gross income



Maximum cover you can take out is either \$6,000 per month or \$72,000 per annum, subject to conditions.

Mortgage and Income Protection does not have ACC offsets. This means that in case of an accident, you will get any ACC payments plus your Mortgage and Income Protection payments.

## Also, you have the choice of different benefit periods, wait periods and premium options

### Benefit period

The length of time you could receive a benefit for.

Either:

- > 2 or 5 years, or;
- > To age 65 or 70

### Wait period

The length of time between you becoming disabled and the time when you are eligible to receive a claim payment.

Either:

4, 8, 13, 26, 52 or 104 weeks

### Premium Options

- > Rate for Age (increase each year based on your age)
- > Level to 10 years (you can lock your premium to 10 years)
- > Fixed to age 65 (you can lock your premium to age 65)

*Premiums may still change if Sovereign changes its underlying premium rates or if you choose to have your benefits linked to the Consumer Price Index.*

### Eligibility when applying

- > 16 – 60 years (occupation classes 1 & 2)
- > 16 – 54 years (all other occupation classes 3, 4, 5)

For customers outside of the above mentioned age ranges, individual consideration applies and your adviser should contact Sovereign for more information.

*Please talk to your adviser if you are not sure what your occupation class is.*

Please talk to your adviser or see policy document for further information.

# LIFE. TAKE CHARGE.



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