

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

**An option for providing Partners Life clients with cover for multiple separate trauma conditions, with no interruption of cover.**

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

Partners Life's existing trauma cover buy-back option has allowed unlimited buy-back of trauma cover paid, after a 12-month stand-down, and with permanent exclusion of the trauma condition claimed on.

While an option like this remains available under a new option, called Deferred Buy-Back, we have significantly upgraded our existing trauma buy-back option:

### Introducing

- Trauma Cover Immediate Buy-Back Option
- Moderate Trauma Cover Immediate Buy-Back Option
- Severe Trauma Cover Immediate Buy-Back Option

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

#### Automatic

For clients with the Immediate Buy-Back Option, the amount of trauma cover paid is automatically bought back after a claim – clients don't have to do anything to remain covered. Naturally, because cover continues, so do premium payments.

#### Immediate cover after a claim

There is no interruption of trauma cover for **unrelated\*** claims against most Covered Conditions different from the one claimed on, and cover for **unrelated** claims against other Covered Conditions after a stand down period – see the table below.

\*See the FAQ below for details of what constitutes a 'related' claim

Subsequent claim Covered Condition	Stand-down period before eligibility for unrelated subsequent claim
Claims against a different Covered Condition (excluding cardiovascular conditions)	none
Claims against the same Covered Condition (excluding cancer and cardiovascular conditions)	12 months
Cancer after a cancer claim	36 months
Cardiovascular Covered Conditions after a claim for a Cardiovascular Covered Condition <small>**see the FAQ below for a list of Cardiovascular Covered Conditions</small>	36 months

### Broader cover after a claim

The Immediate Buy-Back Option does **not forever exclude** the Covered Condition previously claimed on, these will be covered (but not for incidences related to the previous claim) after a stand-down period.

Claims made under the Total and Permanent Disability, Loss of Independent Existence and Terminal Illness Covered Conditions, can naturally only be paid once.

**Multiple opportunities to claim**

Multiple claims are allowed until the sum insured has been paid four times. (Four partial payments in any combination amount to one full sum insured payment).

Any previous buy-back after Partial Payment Condition claims or Diagnosis Benefit claims, means that it is possible that the last buy-back available will be limited to the balance of any sum insured available (up to the four times the sum insured limit).

For illustration – **Trauma Cover** multiple claims for a life assured (ignoring indexing and other increases) with a \$100,000 sum insured:

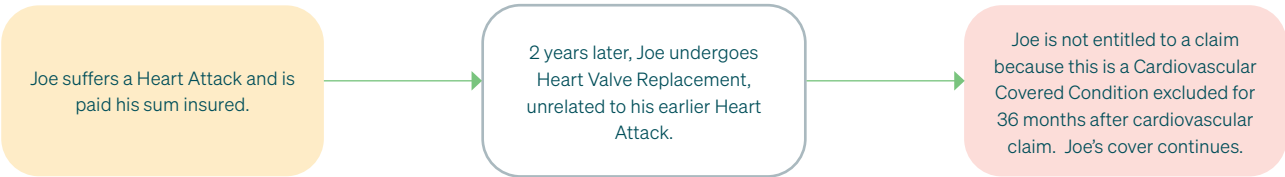
Trauma Cover claims paid	Benefit paid. 25% (Partial Payment Condition/ Diagnosis Benefit) 100% (full sum insured claim)	Claim 'capacity' remaining for future claims
Pre-claim 'capacity' (four times the sum insured)		\$400,000
Minor Burns	\$25,000	\$375,000
Heart Attack	\$100,000	\$275,000
Cancer requiring major treatment	\$100,000	\$175,000
Minor Burns a second time	\$25,000	\$150,000
Diagnosis of Muscular Dystrophy	\$100,000	\$50,000 Only \$50,000 is available to be finally bought back. <b>No further buy-back is allowed, but cover continues at reduced sum insured.</b>
Car accident – loss of use of a limb	\$50,000	Cover ends

How Immediate Buy-Back works - using some Trauma Cover examples

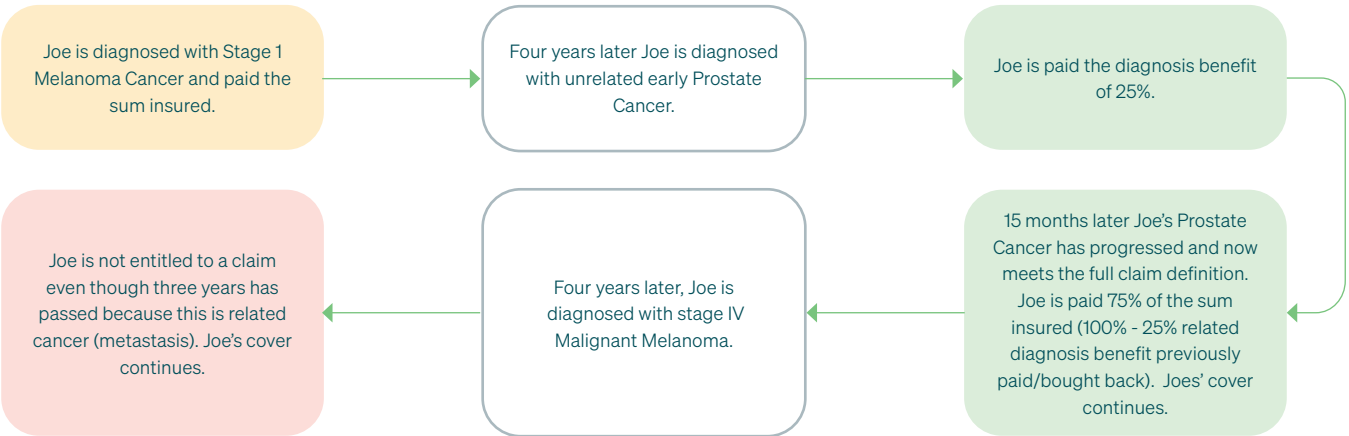
Example one – cover continues immediately after claim.



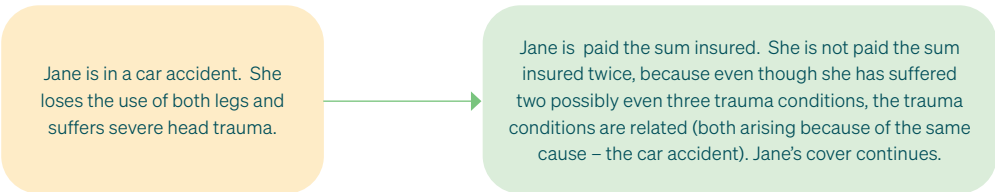
Example two – subsequent cardiovascular condition claim, no claim within 36 months.



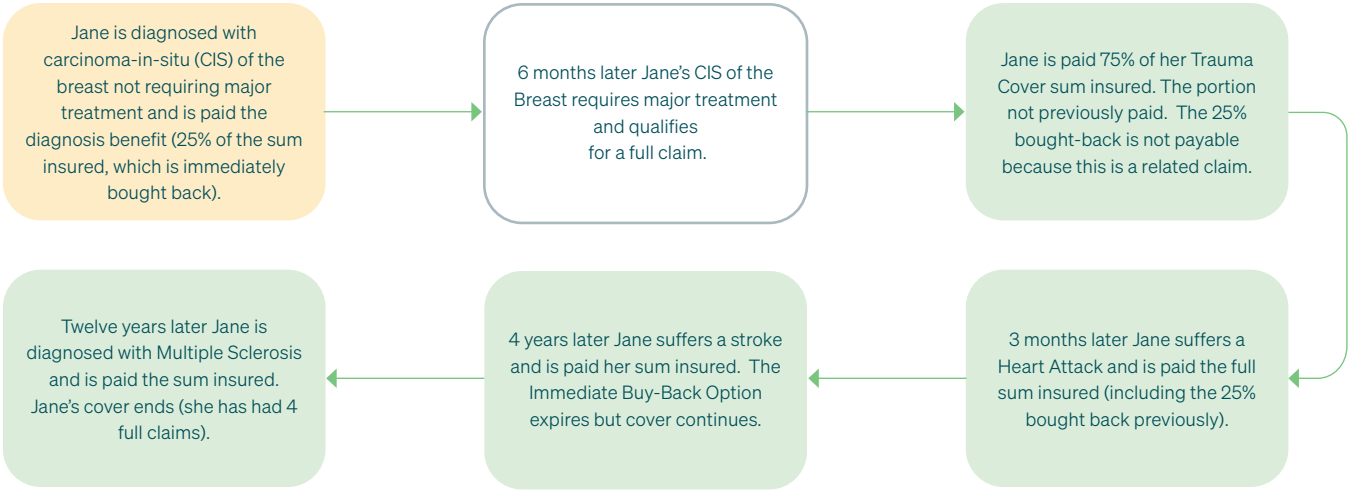
Example three – subsequent Cancer claims for new cancer, no claims for **related** cancer.



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



Example Five – combination of partial claims (Diagnosis Benefit or Partial Payment Condition claims) and full payment claims to end of cover.

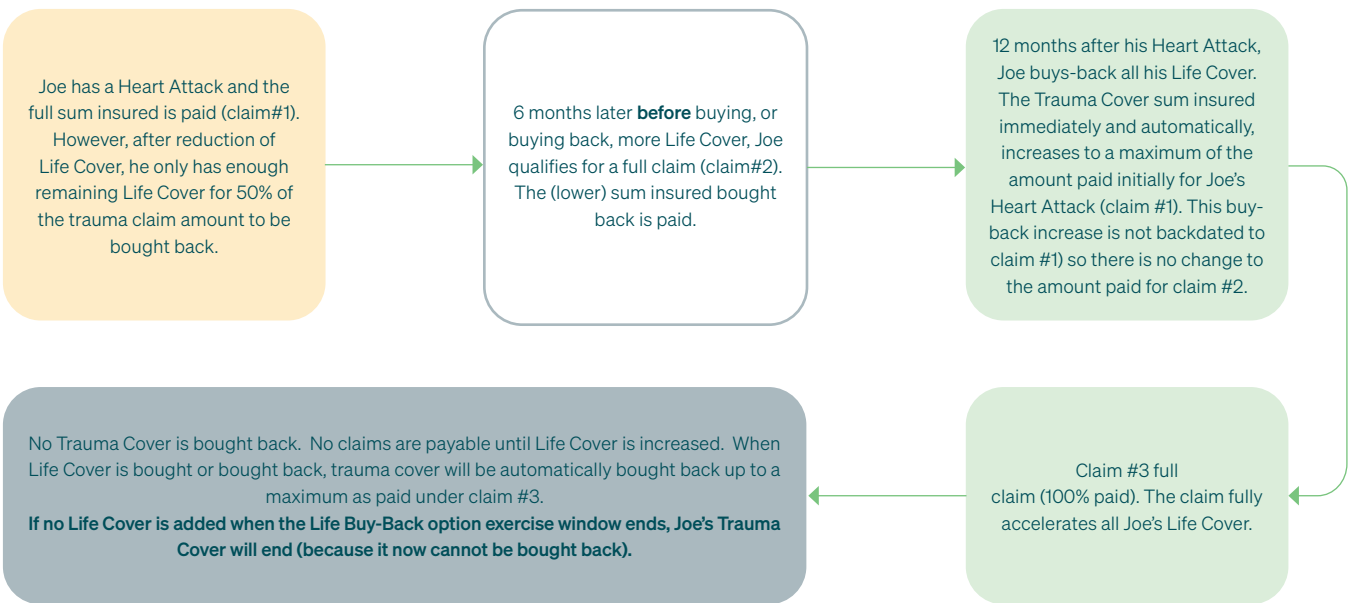


**Accelerated trauma covers with Immediate Buy-Back**

Where the Life Cover remaining after an accelerated trauma claim is insufficient to immediately 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. When and if, the life assured's Life Cover is increased on application or by exercising the Life Cover Buy-Back, the trauma cover not originally bought-back will be immediately and automatically, bought back (and of course trauma premiums will rise as a result) **with the same effective date as the Life Cover bought back.**

If the remaining Life Cover to support accelerated trauma Immediate Buy-Back drops to zero and Life Cover is not increased or bought back by the time the Life Cover Buy-Back exercise window expires, the Immediate Buy-Back Option will expire and that Trauma Cover, Moderate Trauma Cover or Severe Trauma Cover, will end.

Example six - accelerated cover claims where available Life Cover is not sufficient for trauma immediate buy-back.



Frequently asked questions

**Q. Are combinations of Trauma Cover, Moderate Trauma Cover and Severe Trauma Cover still necessary if the Immediate 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 Immediate Buy-Back Option does not provide 'depth' of cover, it provides 'breadth' of cover: Cover for multiple unrelated trauma claims, if that is what the client needs.

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

A. Clients can't take both buy-back 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 or Trauma Cover and Severe Trauma Cover.

**Q. Why doesn't cover bought-back pay again for the same cancer if it progresses to a more severe stage?**

A. The need for greater or additional benefits if an existing trauma condition becomes more serious is a 'depth' of cover issue and a job for Trauma Cover combined with Moderate Trauma Cover and/or Severe Trauma Cover. The Immediate Buy-Back Option is designed to improve 'breadth' of cover. In addition, the premium required to allow multiple claims for the same condition as it gets more serious would be very much higher.

**Q. Why do you have a 36-month stand-down for subsequent unrelated Cardiovascular Covered Condition claims?**

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 within 36 months is high. Without a suitable stand-down period, the premium would have to be significantly higher. We feel that 36 months strikes an appropriate balance.

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. What are related claims under the Immediate Buy-Back Option?**

A. Related claims are:

- Any claim arising from the same medical diagnosis or cause which gave rise to the payment of the Trauma Cover sum insured which has been bought-back including any recurrence, continuation, worsening, spread or metastases thereof; or
- Any other medical diagnosis which has directly or indirectly resulted from any complication of, outcome of, or treatment for, the same medical diagnosis condition which gave rise to the payment of the Trauma Cover sum insured which has been bought-back; or
- Where the first signs or symptoms of a condition have been identified or experienced before this Trauma Cover is bought-back, including thereafter during any period where that Covered Condition was excluded.

**\*\* Q. What are Cardiovascular Covered Conditions?**

A. Cardiovascular Covered Conditions for Trauma Cover and Moderate Trauma Cover are:

- Aneurysm
- Angioplasty
- Aortic Surgery
- Cardiac Defibrillator Insertion
- Pacemaker Insertion
- Cardiomyopathy
- Coronary Artery Surgery
- Heart Attack
- Heart Valve Replacement
- Open Heart Surgery
- Out of Hospital Cardiac Arrest
- Primary Pulmonary Hypertension
- Stroke

The Cardiovascular Covered Conditions for Severe Trauma Cover are:

- Cardiomyopathy
- Heart Attack
- Primary Pulmonary Hypertension
- Severe Congestive Cardiac Failure
- Severe Peripheral Vascular Disease
- Stroke

**Q. How does the Immediate Buy-Back Option differ from the Deferred 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 our Immediate Buy-Back Option and how it differs from the Deferred Buy-Back Option. 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 Immediate 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.

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