

# AIA Australia's Repayment Relief benefit



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One of the great Australian dreams is to own your own home, providing shelter for you and your family and creating happy memories. Sometimes life doesn't go to plan and you find yourself temporarily without a job, but still needing to meet your mortgage repayments. AIA Australia's Repayment Relief benefit could help.

## What is AIA Australia's Repayment Relief benefit?

AIA Australia's Repayment Relief benefit, provides a monthly benefit for up to 90 days to help cover minimum monthly home loan repayments if you've been Involuntarily Unemployed for more than 60 consecutive days.

## What is Involuntary Unemployment under Repayment Relief benefit?

Involuntary Unemployment is where you are no longer employed or working in an occupation that generates income through no choice or fault of your own and due to factors outside your control. Redundancies do not include unsuccessful probation period, dismissal due to unsatisfactory performance or unacceptable behaviour or a voluntary redundancy.

### Did you know?

*In June 2019, Australia had the third lowest savings to household income ratio amongst all G20 countries. How long will your savings last if you were temporarily unemployed?*<sup>1</sup>

*What's more, net savings has contracted by a rate of 15.5% over the past three years<sup>2</sup>, and only 35% of Australians believe their savings will last more than one month<sup>3</sup>*

<sup>1</sup> <https://tradingeconomics.com/australia/personal-savings>

<sup>2</sup> ABS 5232

<sup>3</sup> CBA FWB Index, September 2016, CBA Retire Ready Index 2017, CBA Analytics

## Which products is AIA Australia's Repayment Relief benefit applicable to?

The Repayment Relief benefit is available as a 'rider' benefit to

- Life cover
- Total and Permanent Disablement (TPD) Stand Alone, or
- Universal TPD Stand Alone

The above products can be issued under the:

- Life Cover Plan, or
- Superannuation Life Cover Plan.

The Repayment Relief benefit is available as a rider benefit, which must be linked to one of the Plans listed above, however it will always sit on a separate policy. The Repayment Relief benefit cannot be purchased as a Stand Alone benefit.

## Who should consider AIA Australia's Repayment Relief benefit?

You may consider the Repayment Relief benefit if:

- You have a home loan (owner occupied) mortgage
- You are NOT Self-employed.

## Who can apply for AIA Australia's Repayment Relief benefit?

To be eligible for AIA Australia's Repayment Relief benefit, you must have been employed for at least 180 consecutive days (Qualifying Period), after which you became Involuntarily Unemployed. You can insure your Minimum Monthly Home Loan Repayments up to a maximum of \$7,500. The benefit will be paid for up to 90 days provided you remain Involuntarily Unemployed for 60 consecutive days and are actively seeking employment.

Your Minimum Monthly Home Loan Repayments amounts are agreed at policy commencement with AIA. This amount will not change during the life of your policy, however should your Minimum Monthly Home Loan Repayments increase or decrease at any time, you can apply to change your Minimum Monthly Home Loan Repayments amount, subject to a maximum of \$7,500.

The Repayment Relief benefit only applies to home loans from a licenced loan provider in Australia.

### Things to ask your financial planner before applying for AIA Australia's Repayment Relief benefit

- Is Repayment Relief benefit cover right for my circumstances?
- I haven't got a mortgage yet, however I am planning to. Can I apply for the Repayment Relief benefit cover?
- Does your particular mortgage provider impact the Repayment Relief benefit cover?

## Case Study

Take Rob for example, a project manager with two children and a wife. Rob and his wife recently purchased their first home, and decided to take out cover on Rob's life and income. While speaking to his financial planner, it was suggested that he consider taking out AIA Australia's Repayment Relief benefit in case he was unexpectedly without a job.

Luckily, Rob agreed to take this cover out as two years later his role within the company where he was working had restructured and Rob was unfortunately made redundant.

Upon his redundancy, Rob begun applying for jobs and agencies to help find his next role. In the meantime, his redundancy met the definition outlined in the Product Disclosure Statement, and he was able to utilise the Repayment Relief benefit payments to help cover his mortgage repayments.

Within three months, Rob found his next job and was able to continue paying the mortgage repayments using his own salary.

\*Note: He had to have met his waiting period for payments, under the Repayment Relief benefit, to be paid.

*The example used are for illustrative purposes only.*