

▶ BUSINESS DISABILITY COVER

revenue replacement if a key person is disabled



AT A GLANCE

- ▶ Business Disability Cover will pay a business an agreed benefit for up to two years if a key person is totally disabled because of a continuing sickness or injury.

WHY YOUR BUSINESS NEEDS IT

- ▶ In a small business, one or two people may be key revenue generators.
- ▶ The survival of that business may be at stake if they are unable to work and hence generate revenue.
- ▶ Total disability cover of up to two years gives the business time to recover and/or put in place appropriate measures to keep it running.

KEY FACTS

Ages

- ▶ This cover can be taken out from age 17 to age 59.
- ▶ This policy ceases at the policy anniversary prior to age 65.

Cover

- ▶ The maximum monthly benefit is \$8,000 – subject to financial and medical underwriting acceptance.
- ▶ This is an ‘agreed benefit’ contract.
- ▶ No financial evidence is needed at claim time.
- ▶ Waiting periods available: 4 weeks, 8 weeks, 13 weeks, 26 weeks, 52 weeks.
- ▶ Two types of policy: Employer and Employee.
- ▶ 1 or 2 year benefit payment periods.
- ▶ Available for Occupational Classes 1, 2 and 3.
- ▶ A business can insure a number of key people in the same business.

▶ Cover ends if –

- ▶ The life assured ceases to be actively engaged in the business; or
 - ▶ for policy type Employer, the life assured ceases to have an ownership interest in the business; or
 - ▶ the proposer no longer has an ownership interest in the business.
- ▶ Cover can be continued with varied terms and conditions, and possibly premium increases.

Benefit

- ▶ This benefit is suitable for small businesses and partnerships, with less than five people in the business.
- ▶ The business can use the benefit in any way it chooses.
- ▶ Once on claim and the waiting period has expired, the Agreed Monthly Benefit is payable monthly in advance for 12 months for the business.
- ▶ If the cover is for 2 years and the insured person is still disabled after the first 12 months, the business will be paid:
 - ▶ the agreed monthly benefit if the insured person is described as Employer in the schedule, or
 - ▶ 50% of the agreed monthly benefit if the insured person is described as an Employee in the schedule.

Inflation-proofing

- ▶ The business can choose to have the cover increase – to a maximum of \$8,000 per month – in line with the Consumer Price Index, regardless of health, to ensure the benefit keeps pace with inflation. We will advise the level of indexation each year.

Waiver of Premium

- ▶ If included, Fidelity Life pays the premiums on the policy while a disability claim is being paid.
- ▶ This option expires at the policy anniversary prior to age 65.

DEFINITIONS

Total Disabled (or Total Disablement)

The insured person is totally disabled if, because of a continuing sickness or injury, he or she is:

- ▶ Under the regular and personal care of an approved medical practitioner, and
- ▶ Unable to perform his or her usual occupation for more than 10 hours per week, and
- ▶ Not engaging in any occupation, apart from up to 10 hours per week in his or her usual occupation.

Recurrent Disability

If the insured person has been actively engaged at work for at least 12 months and is totally disabled due to a relapse or recurrence of a sickness or injury for which a previous benefit has been paid, this will be treated as a new claim. The waiting period and benefit period will commence again. If the insured person suffers a relapse within 12 months this will be treated as a continuation of the previous claim.

OTHER INFORMATION

Impact on a Key Person

If a key person is insured under both a Business Disability Cover and a personal Income Protection plan, then:

- ▶ The Business Disability Cover is not affected by the personal Income Protection Cover.
- ▶ The Income Protection Cover may be reduced if the key person continues to receive income or profit share from the business.

Ownership

Business Disability Cover can be owned by a company or a person who has an ownership interest in the business.

Underwriting requirements

- ▶ Completion of an application form – an application form is required for each key person.
- ▶ Confirmation of the person's income (recent payslip or remuneration letter from the accountant or financial controller), if they do not have an ownership interest in the business.
- ▶ A copy of the latest financial statements.
- ▶ Percentage shareholding if the person has an ownership interest.

Note: We do not require financial underwriting proofs if the proposed monthly benefit is not more than the following:

Class 1 -	\$5,000 per month
Class 2 -	\$4,000 per month
Class 3 -	\$3,000 per month

Important note about this Fact Sheet - This Fact Sheet is a convenient summary of the key points of this insurance policy. It is not, and is not intended to be, a policy document. Details of definitions, benefits, terms and conditions are contained in the official policy document which is available from your financial adviser. You should read the policy document carefully to make sure you understand exactly what cover is provided under each benefit.

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A - (EXCELLENT)
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