

PROTECTION

BUSINESS



REAL Business Continuation Cover



THE REAL LIFE
COMPANY

What is it?

REAL Business Continuation Cover is an Agreed Value benefit subject to a bi-annual financial review for businesses that have been operating for more than three years. It provides an essential financial safety net when an owner or key person is unable to work because of illness or injury.

Why do I need it?

Sudden illness or an accident can render you or a key person in your business unable to continue working, potentially affecting revenue and profits, and the freedom and lifestyle you enjoy as a result of running your own business.

Who would qualify as a 'key person'?

A key person would be working for a minimum of 30 hours per week in the business, and be a working shareholder or a non-shareholder employee with specific skills who generates revenue for the business.

Main benefits

Business Protection

Protects your business from potential loss of revenue and increased costs if an owner or key person is disabled and unable to work in the business.

Monthly Benefit

Provides a monthly benefit, for up to one year, to help support the business if the owner or a key person is disabled.

Key Person Replacement

The monthly benefit could be used to find and pay for a suitably qualified person to replace the disabled owner or key person, or contribute to overhead costs.

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Ideal for people who are:

Wanting to protect their investment, and the future of their business, as well as the freedom and lifestyle it affords, should they or a key person in the business be unable to work due to illness or injury.

Key features



Agreed Value Benefit – an agreed monthly benefit of up to \$50,000, payable in advance, gives you certainty at claim time subject to a bi-annual financial review. A key person must generate revenue by their own personal exertion for the business.



Optional Partial Disability Benefit – payable monthly in arrears if recovery from a total disability lasting at least 7 days allows you to return to work in a reduced capacity (less than 75% of the hours worked in the three months prior to being totally disabled). Occupation Classes 1 to 3 qualify.



No Offsets – the benefit will not be affected by any other income replacement benefits you receive from any other source e.g. ACC or other income protection benefits.



Built-in Benefits

Business Protection

Protects your business from potential loss of revenue and increased costs if an owner or key person is disabled and unable to work in the business.

Monthly Benefit

Provides a monthly benefit, for up to one year, to help support the business if the owner or a key person is disabled.

Key Person Replacement

The monthly benefit could be used to find and pay for a suitably qualified person to replace the disabled owner or key person, or contribute to overhead costs.

Agreed Value Benefit

An agreed monthly benefit of up to \$50,000, payable in advance, gives you certainty at claim time subject to a bi-annual financial review. A key person must generate revenue by their own personal exertion for the business.

No Offsets

Your REAL Business Continuation Cover benefit will not be affected by any other income replacement benefits you receive from any other source e.g. ACC or other income protection benefits.

10-hour Total Disability Definition

The key person may still work up to 10 hours per week in their own occupation whilst essentially disabled and receiving the REAL Business Continuation Cover monthly benefit.

Optional feature

Partial Disability Benefit

Payable monthly in arrears if recovery from a total disability lasting at least 7 days allows you to return to work in a reduced capacity (less than 75% of the hours worked in the three months prior to being totally disabled). Amount payable is a proportion of the benefit, based on the number of hours worked before and after the disability. Occupation Classes 1 to 3 qualify.

In 2013, **24% of New Zealanders were disabled**. Of this **21%** were aged between **15 to 64**.

Source: Statistics New Zealand; The New Zealand Disability Survey 2013

After just **4 weeks of a loss in income, 55%** of New Zealand households will be unable to cover their expenses.

Source: Financial Services Council 2013



14 day cooling off period

If the cover is not what you expected or you change your mind, you can cancel your policy and we will refund any premiums paid.

Recurrent Disability Benefit

If the same disability reoccurs within 12 months, the Wait Period is waived for the second episode. The periods of recurrent total disability are cumulative for the purposes of applying the benefit period.

Waiver of Premium Benefit

While any benefit for total, partial or recurrent disability is being paid, your premiums will be waived after the agreed Wait Period.

Leave Without Pay Benefit

If you take a period of unpaid leave from your regular role in the business, cover can be suspended for a maximum of 12 months and fully reinstated at the end of the suspension period. There will be no premiums to pay and no benefits paid out while the cover is suspended.

Case study

Angela had been a GP for more than 10 years when she fractured her spine in a skiing accident. Although she had no spinal cord damage, she required surgery and several months off work.

Fortunately, Angela had REAL Business Continuation Cover, which covered the cost of hiring a locum to keep her practice running for up to a year. After nine months of rest and careful rehabilitation, Angela was able to resume her work as a GP.

The average
New Zealander earns
\$1,085.48
a week.

Source: Statistics New Zealand;
Labour Market Statistics March
2015 Quarter

In the event you are unable to work as you have been **disabled for 6+ months**, the maximum disablement allowance you can receive from the government is **\$61.69 a week**. In the event you are unable to work due to a sickness, the government Jobseeker Support allowance is limited up to **\$175.10 a week**.

Source: Work and Income New Zealand as at 1st April 2015



**THE REAL LIFE
COMPANY**

Life

Disability

Health

Trauma

Income Protection

Mortgage , Income and Rent

At a glance

To qualify

Business operating for more than three years
No more than five key people and no more than 15 employees
Age 16-59 years (Occupation Class 1 and 2)*
Age 16-54 years (Occupation Class 3)*

Expiry Age

Renewable to age 65 years

Benefit Type

Paid monthly in advance

Benefit Period

12 months

Cover Amounts

Max \$50,000 monthly

Premium Type

Yearly Renewable Term

Wait Period

4, 8 or 13 weeks

Worldwide Cover

Yes

Contact us



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8.30am - 5.00pm



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Why AIA New Zealand?



AIA New Zealand Financial Strength Rating

AIA International Limited, trading as AIA New Zealand, has a current insurer financial strength rating of **AA- (Very Strong)** from Standard & Poor's. A summary of Standard & Poor's rating scale is:

AAA – Extremely Strong AA – Very Strong A – Strong BBB – Good BB – Marginal B – Weak CCC – Very Weak
CC – Extremely Weak R – Regulatory Action D – Default NR – Not Rated

Plus (+) or Minus (-): The rating from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standings within the major rating categories.

*Individual consideration will be given to ages outside this range

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