

PROTECTION

BUSINESS



REAL New to Business Cover



WE'RE
FOR LIFE

What is it?

REAL New to Business Cover is an Agreed Value occupation-rated benefit for businesses that have been in existence for less than four years. It provides an essential financial safety net if an owner or key person is unable to work for more than 10 hours per week in their own occupation in the business due to illness or injury.

Why do I need it?

Your hard earned investment in a business, or the future of the business, may be vulnerable, should illness or injury render you or a key person unable to work in the 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 generating revenue for the business.

Main benefits

Business Protection

Protects a new business from potential loss of revenue and increased costs if an owner or key person is disabled.

Monthly Benefit

Provides a monthly benefit, for up to two years, to help the business survive 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.

i

Ideal for people who are:

Concerned about protecting their investment or future revenue in a new or start-up business (operating for less than 4 years) if they, or a key person in the business, are disabled through illness or accident and cannot work.

Key features



Benefit payable monthly in advance for up to two years – after an agreed Wait Period.



Choice of five benefit levels – \$2,000 - \$8,000 monthly.



Recurrent disability benefit – if the same disability occurs within 12 months, the Wait Period is waived for the second episode.



Partial disability benefit option – payable if a total disability lasts at least seven days and results in a limited return to work. Amount payable is a proportion of the benefit, based on the number of hours worked before and after the disability. Occupation Classes 1 to 4 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

Choice of Benefit Level

You may choose a monthly benefit of \$2,000 - \$8,000.

10-hour Total Disability Definition

The key person may still work up to 10 hours per week in their own occupation in the business while essentially disabled and receive the REAL New to Business Cover benefit.

Recurrent Disability Benefit

If the same disability occurs 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

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

Death Benefit

If you or a key person in the business dies whilst receiving a REAL New to Business Cover claim payment, and the policy is valid, a lump sum of six times the monthly sum assured will be paid to the Policy Owner.

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.

Optional features

Partial Disability Benefit

Payable if a total disability lasts at least seven days and results in a limited return to work (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 the disability. Occupation Classes 1 to 4 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.

No Offsets

Your REAL New to Business 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.

Migrants

REAL New to Business Cover is available to migrants on 'long-term business visas' up to a maximum of a \$6,000 monthly benefit.

Ownership

The policy must always be owned by the business e.g. sole trader, partnership, limited liability company.

Conversion

On the second and subsequent policy anniversary dates, and before you reach age 65 years, your REAL New to Business Cover can be converted to an Indemnity Income Protection Policy whilst retaining the existing REAL New to Business Cover Benefit Period and Wait Period. No further medical assessments are required at the time of conversion.

Case study

Dawn had set up in her first business venture as a florist. Two years later she fractured her lower spine in a water skiing accident. She required surgery and several months off work.

Fortunately, Dawn had an AIA REAL New to Business Cover, which covered the cost of hiring a locum to keep her practice running for up to two years. After nine months of rest and careful rehabilitation, Dawn was able to resume work and continue her passion.

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



**WE'RE
FOR LIFE**

Life

Disability

Health

Trauma

Income Protection

Mortgage, Income and Rent

At a glance

Qualifying Age*

Business operating for less than 4 years
Age 16 – 59 years (Occupation Class 1 and 2)
Age 16 – 54 years (Occupation Class 3 and 4)

Expiry Age

Renewable to age 65 years

Benefit Type

Paid monthly in advance

Benefit Period

2 years

Cover Amounts

Max \$8,000 monthly

Premium type

Yearly Renewable Term

Wait Period

4, 8 or 13 weeks

Worldwide Cover

Yes

Offsets

No offsets

Contact us



Call free 0800 800 242
T: +64 9 488 8800
F: +64 9 488 8810



Monday - Friday
8.30am - 5.00pm



aia.co.nz



nz.service@aia.com



AIA New Zealand
Level 15, 5-7 Byron Avenue,
Takapuna

Private Bag 300981, Albany,
Auckland 0752, New Zealand

Why AIA New Zealand?

AIA New Zealand has
a **Very strong**
Financial Strength Rating

AA-

(Standard and Poor's)

We have paid over

\$450
million

in claims since 2003

Largest

Independent Publicly Listed
Pan-Asian
Life Insurance Group

Protecting
New Zealanders
for over

35
Years

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

Disclaimer

AIA New Zealand has made all reasonable efforts to ensure that the information in this guide is correct as at the date of printing. The information contained in this guide is a summary only and should not be regarded as a full explanation of the contract. Please refer to the terms and conditions of the policy document for full details of the contract and the limitations and exclusions that apply. All applications are subject to individual consideration. Special terms, exclusions and premium loading may apply to individual applications.