



Business Extra

Business Extra is about making a contingency plan to protect your business should you or one of your key people become sick, disabled or die.

Protect the health of your business with Business Extra

Have you ever stopped to think about what would happen to your business if you suddenly got sick and couldn't go to work? What if it was one of your business partners or an employee with specialised knowledge? How would this affect your business in the short term? If a return to work was not possible then what would be the long-term implications? What would happen if a key person died?

These are only some of the things you need to consider when it comes to protecting your business. Your adviser will go through the process with you, asking the questions that are most relevant to your business and helping you to come up with a contingency plan to make sure that you have the right insurance in place.

Business Extra is a unique and flexible business insurance solution, designed to cover consequences not just events. Here's how...

Most business insurance products provide a fixed amount for a fixed event. Business Extra allows you to have fluctuating payments – depending on how much you think your business needs and when. In other words, you decide how much money your business would need, how regularly you would need it and for how long.

Unlike other business insurance products, the sums insured are not linked to the earnings of the business – they are linked to the financial impact on the business if a key person dies or is unable to work for a period of time. So you can put cover in place to meet the needs of the business (both fixed and variable), not just replacement income.

Contingency considerations

Business Extra is a contingency plan for your business – it will keep it healthy when the health of you or one of your key people has failed.

In the short term – protecting your cash flow:

What are your fixed monthly expenses? What additional costs might you have if you or one of your key people becomes unwell or dies? How much extra money will you need to make sure you can continue to pay your ongoing costs?

- Rent
- Leases
- Recruitment
- Debt repayment
- Interest on loans
- Office costs
- Taxation
- ACC levies
- Salary costs
- Staff bonuses
- Accounting fees
- PR costs
- Marketing expenses.

In the longer term:

How much money will you need so that ...

- The business can stay in good shape while you focus on making a full recovery?
- You can sell the business while it still holds its value?
- You can implement a succession plan without having to worry about immediate expenses?
- You can pay off all business debts – e.g. term loan, overdraft, provisional tax and shareholder current account?
- You are no worse off financially if you were unable to return to work?



Business Extra is flexible – unlike other business insurance products, you can choose what you spend the money on at claim time. It's less hassle, as you don't need to prove your expenses to us when you make a claim – we already know what they are and we have insured your business for them.

The key features explain how Business Extra works

Features*	Benefits
Receive monthly payments of up to \$50,000 if you or one of your key staff members becomes sick or disabled.	Cash flow is preserved because all of your monthly costs are met at a time when the income of your business has been reduced.
A partial payment to top up your income if you are only able to work in a reduced capacity.	Ease back into full-time work by making sure that you do not suffer financially.
Put in place a series of lump sum payments so that you can cover major costs if a return to work is unlikely.	Gives you enough money to clear debts, buy or sell shares, or even sell the business if that is what you need to do.
If you get back to work within a few months then your policy is re-set and you can claim again and again at any time.	If your illness recurs or something else happens to your health, you are still covered and your business remains protected.

* For each feature listed special terms and conditions apply.

OnePath Customer: Raimarie Pointon

Family: Married with 3 adult children
Health: Diagnosed with breast cancer in December 2006
Profession: Accountant
Business: 1/3 ownership of an accounting firm

Business structure

Owned and operated by 3 equal partners, the business employs 27 additional staff members. Raimarie and her business partners are the key members of staff – not only do they manage the client relationships, they also have the technical knowledge required to do the job.

The contingency plan

One of the key considerations for the business partners was the ability to be able to fund a locum should one of them die or be unable to work. They wanted to be able to recruit someone at the same level who could step in and take over, minimising any disruption to the business.

They knew that to secure the right person they would have to pay a top salary, and Business Extra allowed them to put this plan in place.

How it helped?

When Raimarie was first diagnosed with breast cancer one of her immediate concerns was the business and what would happen in her absence. Knowing that she had insurance in place to employ a locum gave her peace of mind and allowed her to concentrate on her recovery and getting back to work in her own time.

"What I liked best about Business Extra is that it allowed me to pay for the best locum I could find, and there was no need to prove the expense at claim time – I could just get on with it."

"Even though I'm back at work now, I know that I can use my policy again if I need to. The fact that Business Extra starts over at the end of each claim means I have one less thing to worry about – because no one knows what is around the corner!"



Frequently asked questions

Q Will I have to prove my expenses and income at claim time?

A No. Because we make a financial assessment of your cover at the time you apply for it, there is no further assessment at claim time. However, to ensure the contract is relevant to your needs, you will need to complete a financial review every 2 years – your adviser will talk to you about this.

Q If I recover from an illness or a disability and return to work only to suffer a relapse, can I make another claim?

A Yes, you are able to make multiple claims under Business Extra. If your relapse is within 6 months of the original claim, then we will consider this to be a continuation of the original claim.

Q My claim has been accepted, when will I be paid?

A Your claim will be paid at the end of your chosen period.

Q I have Life Cover built in to my Business Extra policy. If I died suddenly and there was no existing claim on my policy for a disability or illness, would the business receive a payment?

A Yes, this payment would be made independently from any other claim that did or didn't exist on your Business Extra policy.

The 'fine-print'

We want our customers to be secure in the knowledge that they understand exactly what their policy covers. Specific terms and conditions, of which you need to be aware, apply to Life & Life Income Cover. For a full explanation of the terms and conditions, please talk to your adviser and read the policy wordings.

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