



fidelity life

Business

For advisers only.

Business expenses cover.

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Business expenses cover is designed to help sole traders, small business owners, or partners in a business manage specific expenses if they're unable to work due to sickness or injury. The cover provides a monthly payment to reimburse approved expenses for up to 2 years.

Key features.

- The cover is available for individuals aged 16-59.
- Coverage ends at age 65.
- The benefit period is up to 2-years.
- The maximum cover is up to \$30,000 per month.
- Fidelity Life will pay up to 100% of approved expenses in the first year and up to 50% in the second year.
- Payments start after a waiting period chosen by the policy owner(s). The wait periods available are 2, 4, 8, 13, 26, 52, and 104 weeks.
- Premium payment options include fortnightly, monthly, quarterly, half-yearly, or yearly.

1. Built-in benefits.

Total disability benefit

If the insured person meets the total disability benefit criteria, Fidelity Life will pay a monthly benefit, in arrears, until the earliest of either the insured person is no longer totally disabled, there's no longer a loss of business turnover, the benefit period ends, or the cover ends.

- The amount paid is the lesser of the business expenses actually incurred, or the monthly benefit for the first 12 months and up to 50% of the monthly benefit for the next 12 months.
- An advance payment of up to 50% of the first month's monthly benefit is payable at the end of the waiting period if the relevant claims assessment information has been provided, and the claim is accepted before the waiting period ends. Any advance payment will be deducted from the first month's monthly benefit.

Partial disability benefit

If the insured person meets the partial disability criteria, Fidelity Life will pay the Partial disability benefit, monthly in arrears, until either the insured person is no longer partially disabled, there is no longer a partial loss of business turnover, or the cover ends. For Partial disability benefit payment amounts, please refer to the cover wording for the calculation.

Recurring claim benefit

Waives the waiting period on a recurrent claim if the insured person becomes disabled again due to a recurrence of the same or related injury or sickness within 12 months after the claim ended. A recurrent claim will be considered a continuation of the previous claim.

Benefit period reset.

Applies a new waiting period and benefit period if the insured person returns to full-time work for 12 continuous months and becomes disabled again due to the same or related injury or sickness and is not eligible for the Recurring claim benefit.

Waiver of waiting period.

Waives the waiting period on a new claim for an unrelated sickness or injury within 12 months of returning to work after a previous unrelated claim. The new claim must be for a continuous period of 90 days or more.

2. Additional options.

Consumer Price Index (CPI) option

The CPI option will be applied on each policy anniversary by the greater of 2%, or an amount determined by Fidelity Life based on the CPI rate. If a Total Disability Benefit or Partial Disability Benefit is being paid, the claims payments won't be increased by CPI. The last increase will be applied on the policy anniversary before the insured person's 65th birthday.

3. Claims.

It's important to notify Fidelity Life of a potential claim right away. If notification is more than 60 days after the date of disability, the benefit may start from the date Fidelity Life receives notification.

4. Exclusions.

Fidelity Life will not pay a claim for sickness or injury related to pregnancy or childbirth, self-inflicted acts or injury, or specific events and causes agreed upon between Fidelity Life and the policy owner(s) and endorsed on the Policy or the policy schedule.

5. Limitations.

For each insured person, there is a limit of one claim for a total or partial disability at any given time.

6. When this cover ends.

This cover ends on the earliest of the insured person's 65th birthday, death, cancellation of the cover, or the Policy ends for any reason.

Business expenses cover factsheet: At a glance

Key features.

Entry ages: 16-59.	End age: 65.
Benefit period 2 years.	Wait period: 2, 4, 8, 13, 26, 52, or 104 weeks.
Maximum cover: \$30,000 per month.	Premium payment options: fortnightly, monthly, quarterly, half-yearly, or yearly.
Receive up to 100% of approved expenses in year 1, and up to 50% in year 2.	-

Built-in benefit.	Benefit description.	Amount paid/benefit.	Conditions & Exclusions.
Total disability benefit	Payment when the client is unable to perform their normal job for more than 10 hours per week and is not engaged in any employment.	Lesser of: <ol style="list-style-type: none"> Actual expenses incurred. Monthly benefit in ear 1 and 50% of monthly benefit in ear 2. 	<ul style="list-style-type: none"> The client must be under the care of a medical practitioner. The Total disability benefit is paid in arrears. The benefit will stop when there is no longer a loss of.
Advance benefit	An advance payment is made at the end of the waiting period if the required claims information has been provided, and the claim is accepted before the waiting period ends.	50% of the monthly benefit	<ul style="list-style-type: none"> The advance payment will be deducted from the first month's monthly benefit.
Partial disability benefit	Payment when the client is working (or capable of working) but due to sickness or injury their share of business income is below their pre-disability level.	See cover wording.	<ul style="list-style-type: none"> The client must be under the care of a medical practitioner. The client must have written confirmation of reduced hours.
Recurring claim benefit	Waives the waiting period on a recurrent claim that meets certain conditions.	No waiting period.	<ul style="list-style-type: none"> Recurrence must be of the same or related injury or sickness, and within 12 months after the claim ended.

Built-in benefit.	Benefit description.	Amount paid/benefit.	Conditions & Exclusions.
Benefit period reset.	Applies a new waiting period and benefit period if disabled again after 12 months due to recurrence.	Resets the benefit period	<ul style="list-style-type: none"> ● The client needs to be working at least six months without any limitations if the previous full benefit period was used. ● If the full benefit period previously was not used, the client needs to work for 12 months without any limitations.
Waiver of waiting period.	Waives the waiting period for a new, unrelated claim within 12 months of returning to work.	No waiting period.	<ul style="list-style-type: none"> ● A wait period must apply to the previous claim. ● The new claim must be for a continuous period of 90 days or more.

Optional benefit.	Benefit description.	Amount paid/benefit.	Conditions & Exclusions.
CPI option.	Increases the monthly benefit on each policy anniversary based on CPI data.	Greater of 2% increase or CPI	<ul style="list-style-type: none"> ● Fidelity Life will determine the CPI rate ● This option expires on the policy anniversary before the clients' 65th birthday.

Exclusions.	Limitations.
Pregnancy or childbirth.	Only one concurrent claim per client
Self-inflicted acts or injury.	-
Events and causes agreed to and endorsed in the Policy schedule.	-

Expenses covered.

- Accounting and audit fees.
- Advertising costs.
- Bank charges.
- Business-related insurance premiums excluding premiums for this policy.
- Couriers.
- Depreciation of equipment/plant.
- Electricity, gas, heating, water, telephone, cleaning, and laundry costs, postage and handling.
- Employment of a locum.
- Leasing costs of plant and equipment.
- Motor vehicle costs.
- Property rates and taxes.
- Publications and subscriptions to professional associations.
- Rent and the interest component of any mortgage or loan payments relating to the business.
- Salaries and other related costs (e.g. payroll tax, superannuation contributions, FBT) for non-income generating employees of the insured person's business.
- Such other fixed expenses incurred in the day to day running of the insured person's business.

Please note that shared expenses are apportioned according to the proportion the income of the insured person bears to the total income. Prepaid or accrued business expenses will be apportioned over the period to which they relate.

Expenses not covered.

- Salaries and other related costs (e.g. tax, superannuation, FBT) for the insured person or his or her replacement and income generating employees of the business other than a locum.
- Salaries and other related costs for any of the insured person's relatives unless that relative was employed for at least 60 consecutive days prior to the insured person's disability.
- Commissions or bonuses payable to the insured person.
- Costs of a capital nature including the cost of any books, equipment, fittings, fixtures, furniture, goods, implements, merchandise or stock.
- Depreciation on real estate.
- Expenses that are recoverable, reimbursable or indemnifiable. from internal or external sources.
- Losses on investments.
- Repayments of principal of any loan or finance agreement.
- Taxes levied by the Inland Revenue Department.

Fidelity Life Assurance Company Limited.



*Fidelity Life has an A- (Excellent) financial strength rating from A.M. Best. The rating scale that this rating forms part of is available for inspection at our offices. For more information please visit Fidelity Life's [financial strength page](#).

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Disclaimer

The information contained in this factsheet is a convenient summary of the key points of this insurance policy and is general in nature. It is not, and is not intended to be, a policy document. Details of definitions, benefits, standard exclusions/limitations, terms and conditions are contained in the full policy documentation. Please refer to current policy wordings for specific details. This factsheet does not provide a personalised financial advice service and is intended for financial adviser use only.