



fidelity life

Business

For advisers only.



Key person cover.

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Key person cover provides monthly payments to small and medium-sized businesses if a key person is unable to work due to illness or injury. It is designed for established businesses that have been in operation for over three years.

If the applicant has been self-employed for more than twelve months but less than three years, they are classed as newly self-employed. They can apply for Key person cover at a reduced level with conditions applying.

Key features.

- The cover is available for insured persons aged 16-59 inclusive. For those who are newly self-employed, cover is available for insured persons aged 20-59 inclusive.
- Coverage ends at age 65 or when the insured person is no longer employed by the business.
- The maximum cover available is up to \$30,000 per month for each key person on an agreed value basis.
- For those who are classed as newly self-employed, the maximum cover available is up to \$6,500 per month on an agreed value basis for the first three years.
- Payments received under Key person cover are not offset by other income received.
- The benefit period is for up to 2 years. For newly self-employed, the benefit period is 1 year.
- Payments start after a waiting period chosen by the policy owner(s). The wait periods available are 2, 4, 8, and 13 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 the monthly benefit in advance from the end of the waiting period until either the insured person is no longer totally disabled, the benefit period ends, they are no longer employed in their usual occupation, or the cover ends.

Partial disability benefit.

If the insured person meets the partial disability benefit criteria, Fidelity Life will pay the partial disability benefit in advance from the end of the waiting period until either the insured person is no longer partially disabled, the benefit period ends, they are no longer employed in their usual occupation, or the cover ends. Payment is 40% of the monthly benefit.

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 from a previous unrelated claim. The new claim must be for a continuous period of 30 days or more.

Some exclusions and limitations may apply to the benefits (refer to the cover wording for more information).

2. Additional options.

Additional options may incur an additional premium.

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. 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 receive 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.

Fidelity Life reserves the right to vary the terms and conditions including a premium increase if the Policy is transferred.

6. When this cover ends.

This cover ends on the earliest of the insured person's 65th birthday, death, cancellation of the cover, the insured person is no longer actively engaged in the business for more than 60 days for reasons other than total disability, or the Policy ends for any reason.

7. Other information.

Key person.

A key person is someone in the business responsible for generating a minimum of 20% of gross business income. It may also apply to an individual whose loss would have a significant operational impact, e.g. CEO, Financial Controller.

Newly self-employed.

Someone who is in a new business they have been operating in that business for more than twelve months but less than three years. The newly self-employed must:

- have relevant business experience to the new business being established/purchased.
- be generating a minimum of 20% of the business revenue.
- have a direct shareholding in the business of at least 50%.
- have been in the new business for less than three years.
- not be actively involved in any other business (as a major shareholder or arm's length employee).
- not have any other income protection/mortgage protection or business expenses cover in place with Fidelity Life or any other company.

Newly self-employed policy upgrade.

At the third anniversary the cover can be converted to:

- Income protection cover with a Declaration of Good Health.
- If the cover is not converted, the cover continues with a one-year benefit period, on an indemnity basis.

Ownership.

Key person cover must be owned by a company or a person who has an ownership interest in the business.

Key person cover factsheet: At a glance

Key features.

Entry ages: 16-59. For newly self-employed: 20-59

Expiry age: 65.

Benefit period: 2 years. For newly self-employed: 1 year.

Wait period: 2, 4, 8, or 13 weeks.

Maximum cover: \$30,000 per month.
For newly self-employed: \$6,500 per month.

Premium payment options: fortnightly, monthly, quarterly, half-yearly, or yearly.

Built-in benefit.	Benefit description.	Amount paid/benefit.	Conditions & Exclusions.
Total disability benefit.	Payment when the key person is unable to perform their normal job for more than 10 hours per week and is not engaged in any employment.	Monthly benefit.	<ul style="list-style-type: none">● The key person must be under the care of a medical practitioner.
Partial disability benefit.	Payment when the key person is working (or capable of working) more than 10 hours a week, and is working, or is capable of working, the lesser of 20 hours a week or 50% of their pre-disability hours.	40% x monthly benefit.	<ul style="list-style-type: none">● The key person must be under the care of a medical practitioner.● The key person must have written confirmation of reduced hours.● This applies to their usual occupation before becoming partially disabled.
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 key person 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 key person 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 30 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 key persons' 65th birthday.

Exclusions.	Limitations.
Pregnancy or childbirth.	Fidelity Life can vary the terms and conditions including a premium increase if the policy is transferred.
Self-inflicted acts or injury.	If the key person is no longer actively engaged in the business, except for disability, cover ends after 60 days.
Events and causes agreed to and endorsed in the Policy schedule.	-

Term.	Term definition.
Key person.	A key person is someone in the business responsible for generating a minimum of 20% of gross business income. It may also apply to an individual whose loss would have a significant operational impact, e.g. CEO, Financial Controller.
Newly self-employed.	<p>Someone who is in a new business they have been operating in that business for more than twelve months but less than three years. The newly self-employed must:</p> <ul style="list-style-type: none"> ● have relevant business experience to the new business being established/purchased. ● be generating a minimum of 20% of the business revenue. ● have a direct shareholding in the business of at least 50%. ● have been in the new business for less than three years. ● not be actively involved in any other business (as a major shareholder or arm's length employee). ● not have any other income protection/mortgage protection or business expenses cover in place with Fidelity Life or any other company.
Newly self-employed policy upgrade.	<p>At the third anniversary the cover can be converted to:</p> <ul style="list-style-type: none"> ● Income protection cover with a Declaration of Good Health. ● If the cover is not converted, the cover continues with a one-year benefit period, on an indemnity basis.
Ownership.	Key person cover must be owned by a company or a person who has an ownership interest in the business.

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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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.