

BUSINESS OVERHEADS COVER



What is Business Overheads Cover?

Insurance that pays you a monthly amount as reimbursement of eligible business overheads if you are unable to work as a result of illness or injury.

Why do you need Business Overheads Cover?

Business Overheads Cover removes some of the operational and financial strain of covering business expenses so you can focus on your recovery.

Eligible business overheads include net locum costs or fixed costs like rent, vehicle expenses, electricity etc.

The amount payable for the first three months of any claim will be the sum insured, irrespective of the actual costs to the business. The amount payable after the three months will be the lesser of the sum insured or the eligible business overheads costs incurred by the business.

Business Overheads Cover overview

Entry criteria:



Minimum entry **age 20**
Maximum entry **age 60**

Cover Amount:



Maximum amount of **\$25,000 per month**

Cover term:



To **age 65**

Waiting period:



You can choose a waiting period of: **4, 8 or 13 weeks**

Payment terms:



You can choose one of the following payment terms: **1 year or 2 years**

Occupation classes: 1-4

Your occupation class is determined by the work you do. Your financial adviser will be able to help you work out what occupation class will apply to you.

Mandatory cover:

Premium Cover

What's not covered?

- › Intentional self-harm including attempted suicide
- › Taking part in a criminal activity
- › Pregnancy or complications resulting from pregnancy, unless the disability lasts more than 90 days after the pregnancy
- › Not following the advice and treatment of, or under the regular care of, a medical practitioner

Premium details

Minimum premium:



\$20 per month (incl. policy fee)

Payment frequency:



Weekly, fortnightly, monthly, half-yearly, annually

Payment method:



Direct debit, credit/debit card

Premium review structure

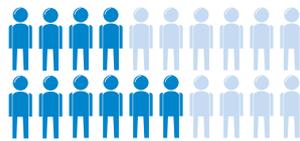
Under Business Overheads Cover, you will have a 1 Year premium review period. This means your premiums will be recalculated on each anniversary date based on your sum insured, age-related changes and, if applicable, any changes to Cigna's protection premium rates or relevant laws.

Some facts to think about



In 2018, the incidence rate was **129 claims per 1,000 FTEs** for self-employed people compared to 98 claims per 1,000 FTEs for employees.

(Statistics New Zealand; Injury statistics - work-related claims: 2018)



4 out of 10 males and **6 out of 10 females** are likely to be off work for 30-90 days due to an illness or accident before they reach 65.

(Davies Financial and Actuarial Limited, Jan 2010)



32% of injured people take longer than 10 weeks to return to work.

(ACC Annual Report 2016/2017)

If you're still not sure, ask yourself.

If an illness or injury prevents you from working, will your business be able to cover its costs and run profitably without you?

If 'no' then now is a good time to talk to your financial adviser.

Eligible business overheads

Your regular day-to-day expenses incurred in the normal operations of the business, which includes, but aren't limited to:

- › costs of a locum (minus any income or revenue the locum produces)
- › costs of electricity, gas, water, heating, telephone, laundry and cleaning and security contract costs
- › property rates
- › motor vehicle registration and warrant of fitness for motor vehicles used in your business
- › professional subscriptions
- › business insurance premiums including key person, fire and general and professional indemnity insurance premiums
- › accounting and audit fees
- › advertising costs
- › rent (including your share of building operating expenses)
- › capital repayments towards an identifiable business asset, such as plant, equipment, machinery or vehicles
- › interest directly related to business loans
- › the gross amount of salaries and related costs for your employees who do not generate income.

Built-in benefit

Business Overheads Cover provides the following benefit that is built-in:

Benefit	What is it?	How it works	Why it's important
Total Disability Benefit	A monthly payment if you're totally disabled and are unable to work.	If you're totally disabled as a result of an illness or injury, a monthly benefit may be payable.	Helps to meet the short to medium term needs of your business while you focus on recovery.
Recurrent Disability Benefit	Waiver of your waiting period if your disability returns within 6 months of going off claim.	If you become totally disabled again because of the same illness or injury within 6 months of the original claim ending for this cover, your waiting period will be waived and your claim for the same illness or injury will be assessed as a continuing claim on the original Total Disability Benefit claim.	If you suffer a recurrence of the same disability you would not have to wait out the waiting period again.

Talk to your financial adviser

Call us on 0508 464 999

Visit cigna.co.nz

Email insurancenz@cigna.com

Fax 0508 464 777 (toll free)

Cigna Life Insurance New Zealand Limited

Private Bag 92131,
Victoria Street West,
Auckland 1142

Important information

This brochure is for information purposes and is a summary only. Please refer to the policy wordings for our full requirements and eligibility criteria. The content is intended to be of a general nature, does not take into account your financial situation or goals, and is not a financial advice service. It is recommended you seek financial advice which takes into account your individual circumstances before you acquire a financial product. This brochure is based on information current as at October 2021 and is subject to change.

Cigna Life Insurance New Zealand Limited

