

Business Protection Plan



Safeguard the future of your business.

When a business loses its sole trader, a key employee, an owner or a business partner, the consequences can be dramatic. Profits can fall, loans may have to be repaid at short notice or, at worst, the future viability of the business can come under threat.

It is essential for business owners to know that, even if the worst should happen to a key stakeholder, they'll have the financial means to stay on track. The Business Protection Plan provides a unique way of helping protect business finances.

The Business Protection Plan menu

Partners Business Protection Plan offers a comprehensive range of covers that provide financial support in a variety of situations.

The plan allows you to mix and match any number of covers, for as many key stakeholders as needed, and with the appropriate ownership structures to achieve the correct outcome for your specific business. Your adviser will help you decide the best fit for your particular business.

A new approach to business insurance

Partners Life is pleased to introduce you to a brand new concept in lump sum business protection products.

We offer three unique lump sum covers which along with our standard Life, Trauma, Severe Trauma and Total & Permanent Disability Covers, can be mixed and matched to give the business the insurance solution that best fits your needs.

Ownership Buyout Cover – this cover is designed to fund the buy-sell agreement commitments of the business for an employee owner whose Total Long Term Disability, Total and Permanent Disability, Terminal Illness or Death would trigger the buy-sell agreement. Ownership Buyout Cover is not available to sole-traders.

Debt Protection Cover – this cover is designed to fund business debt re-payment upon Total Long Term Disability, Total and Permanent Disability, Terminal Illness or Death of any employee, owner or sole trader, whose death, terminal illness or total long term disability would trigger a requirement for the debt to be repaid.

Permanent Loss of Key Person Cover – this cover is designed to provide a capital injection into the business upon the Total Long Term Disability, Total and Permanent Disability, Terminal Illness or Death of a key employee or sole trader of the business.

What is total long term disability?

Because a person can suffer a serious illness that would trigger certain financial business conditions but may not meet the claims triggers on traditional Trauma, Severe Trauma or Total & Permanent Disability Covers, we have introduced the new, unique concept of 'total long term disablement'.

The concept of 'total long term disablement' is that we will consider a claim if the covered person has been suffering an illness or injury which leaves them totally unable to do their own job for 3 months, and is likely to prevent them from being able to go back to that job for at least a further 6 months* into the foreseeable future.

We believe, on balance, that this trigger is more closely aligned to the likely timing for the following key business decisions, and therefore gives the business owners more certainty about outcomes:

- the buy-sell agreement being enforced;
- the business debt requiring repayment;
- the business having to fund the replacement of a key person or sole trader;
- the business having to be sold or wound-up

Protecting your revenue

Any employee who makes a significant contribution to profits is likely to be a key person – for example a key salesperson or a technical expert, as well as company directors and executives.

Loss of Revenue Cover and Variable Loss of Revenue Cover each provide an agreed monthly revenue replacement benefit when a key employee or sole trader is disabled, either totally or partially.

We'll pay the Total Disability Benefit and Partial Disability Benefit in advance following the end of the selected waiting period.

Business Premium Cover

Business Premium Cover is designed to relieve your business of the financial responsibility of paying for policy premiums when a key employee or sole trader is totally or partially disabled.

Your choice of waiting periods and payment terms

Partners Life Loss of Revenue and Business Premium Covers provide you with the flexibility to structure the plan to most closely suit the needs of your business. You have a choice of waiting period (4, 8, 13 and 26 weeks) and payment term (6, 12, 24 and 36 months).

Other covers you can add to the Business Protection Plan

As well as the covers described above, you can also add the following traditional covers.

- Life Cover
- Total and Permanent Disability Cover
- Trauma Cover
- Severe Trauma Cover

These standard Partners Life covers can also be used to fund buy-sell agreement commitments, debt repayment commitments and key person replacement costs in the event of the death, terminal illness, total and permanent disability or trauma of a sole trader or key employee or an owner or debt guarantor (whether employed within the business or not).

They can also be used to fund business debt re-payment in the event of the death of any individual. Finally, they can also provide capital to the business to fund replacement costs and loss of revenue in the event of the death of a key employee of the business.

Providing flexibility to meet the needs as your business changes or grows

We all want our business to be successful and to grow. As it grows, you might need to take out more cover.

Whether your business grows because of a key person becoming more important, a shareholder's interest becoming more valuable, or an increase in the business debt, by selecting Business Future Insurability Option – you can increase your cover, without having to give us any medical information about the covered person.

Flexibility in structuring the cover

You can also choose whether you have all the covers on one policy or split over multiple policies to facilitate differing ownership requirements and it won't cost you any extra to have the cover split over multiple policies.

Turning claims promises into reality

Claims time is when it counts. Our intention is to manage claims fairly and ethically, irrespective of what the law might allow us to do as a life insurer, and this is a legally binding promise. We have included our commitment to our claims philosophy into our policy wordings - so we are contractually obliged to behave this way.

Rewarding partnership for life

Partners Life is passionate about sharing the value we create over time with you. Rather than solely focusing on incentivising new customers to join, we also want to reward existing customers. Your Partners Business Protection Plan includes an increasing loyalty premium discount over time, starting at 1% at the 2nd policy anniversary – subsequently increasing by 1% each year until it reaches 10%. Therefore, you can take comfort that you will pay increasingly less for your Business Protection Plan than a new client to the company. Policies with a level premium review period automatically include an averaged loyalty premium discount, therefore an additional discount does not apply.

Providing guarantees

Because certainty is important, Partners Life makes the following guarantees:

Guaranteed policy wordings - Partners Life does not withhold the right to remove or restrict the benefits and feature provided for under the Partners Life Business Protection Plan. This means that once you have cover with us you can be assured that the cover you and your advisers selects can not be altered to your detriment.

Guaranteed policy wording upgrade – Ensuring that your plan stays up to date is important so you can take advantage of changes we introduce that make your covers better. Our policy document requires us to enhance all existing customer's cover where we make a change that does not result in an increase in premium.

Cover conversion

If the covered life ceases to be a shareholder, sole trader, key employee or debt guarantor of the business, or if your business goes into receivership, and as a result the covers under the policy are cancelled, Partners Life will allow these covers to be converted to personal Life, Trauma, Severe Trauma or Total and Permanent Disability covers under the Partners Protection Plan, without further health assessment, within 3 months following the cancellation date (some limits and exclusions apply).

Worldwide Cover

Your Life Cover, TPD Cover, Trauma Cover and Severe Trauma Cover is valid wherever you may be in the world. However, for the following, Cover is worldwide as long as the life assured remains an owner, a key person, actively involved in the business operations or liable for business debt:

- Debt Protection
- Ownership Buyout
- Permanent Loss of Key Person
- Loss of Revenue
- Variable Loss of Revenue

Partners Life Business Protection Plan Features

The covers

The Business Protection Plan offers the following range of covers. You can choose just one cover, or a combination, to suit your own particular situation and business needs.

The cover	How it pays
Ownership Buyout Cover	A lump sum payment to fund a buy-sell agreement
Debt Protection Cover	A lump sum payment to repay business debt
Permanent Loss of Key Person Cover	A lump sum payment to provide the capital to successfully replace a key person
Loss of Revenue Cover and Variable Loss of Revenue Cover	A monthly injection of revenue whilst a key person is unable to work
Life, Trauma, Severe Trauma and Total & Permanent Disability Covers	A lump sum payment to be used at the businesses discretion
Business Premium Cover	Waives your policy premium whilst a key person is unable to work

Payment of claims – When we will pay a claim

Cover type	When we will pay a claim
Ownership Buyout Cover	<p>We'll pay a claim, if during the cover term, the life assured:</p> <ul style="list-style-type: none"> • suffers a Total Long Term Disability; or • suffers a Total and Permanent Disability; or • is diagnosed with a terminal illness; or • dies <p>the proceeds of the cover are required to satisfy the conditions of the shareholder buy-sell agreement.</p>
Debt Protection Cover	<p>We'll pay a claim, if during the cover term, the life assured:</p> <ul style="list-style-type: none"> • suffers a Total Long Term Disability; or • suffers a Total and Permanent Disability; or • is diagnosed with a terminal illness; or • dies <p>the proceeds of the cover are being used to repay business debt.</p>
Permanent Loss of Key Person Cover	<p>We'll pay a claim, if during the cover term, the life assured:</p> <ul style="list-style-type: none"> • suffers a Total Long Term Disability; or • suffers a Total and Permanent Disability; or • is diagnosed with a terminal illness; or • dies <p>the key person's employment with the business ends as a result.</p>

Payment of claims – When we will pay a claim (continued)

Cover type	When we will pay a claim
Loss of Revenue Cover and Variable Loss of Revenue Cover	<p>We'll start paying this cover if, during the cover term, the life assured is diagnosed as being totally or partially disabled for a continuous period longer than the waiting period.</p> <p>We'll pay a Total Disability Benefit while the life assured is:</p> <ul style="list-style-type: none"> • unable to work in their usual occupation for more than 10 hours per week; or • unable to perform at least 75% of the key tasks and responsibilities of their usual occupation; and • is under the ongoing care of a medical doctor or specialist; and • is complying with the recommended treatment; and • is not undertaking any other paid work other than up to ten (10) hours per week in their usual occupation; and • they are not incarcerated in a penal institution at the commencement of incapacity. <p>We'll pay a Partial Disability Benefit while the life assured is:</p> <ul style="list-style-type: none"> • working in their usual occupation for less than seventy-five percent (75%) of the average weekly hours worked in the twelve (12) months immediately before becoming disabled; and • is under the ongoing care of a medical doctor or specialist; and • is complying with the recommended treatment. <p>We'll continue paying the applicable benefit until the earliest of the following events happening:</p> <ul style="list-style-type: none"> • the life assured is no longer totally or partially disabled; • the employment of the life assured by the business comes to an end (other than as a result of their illness or injury); • the payment term ends; • the cover term expires; • the life assured is incarcerated in a penal institution. <p>Connected claims A connected claim happens if we start paying a claim and:</p> <ul style="list-style-type: none"> • the life assured goes back to work but has to stop work again within 6 months • the reason for the further period of total or partial disablement is the same illness or injury • the recurrent disability lasts for 30 continuous days <p>We'll treat the further period of incapacity as a connected claim and, because this is a continuation of the previous claim, we won't apply another wait period. We'll calculate the remainder of the claim payment terms as the payment term less the number of months for which your claim was previously paid.</p> <p>Employment The life assured must have been actively employed by the business and have worked for an average of 25 or more hours per week in the 4 consecutive weeks immediately prior to the incapacity, otherwise they will be considered to be a part-time employee and will not be covered.</p> <p>If the life assured is on employer approved leave without pay when they become incapacitated and they have been on leave for less than 2 months, we will treat the life assured as if they were actively employed.</p> <p>If you want the life assured to be regarded as actively employed in circumstances where they may be on employer approved leave without pay for more than 2 months you can select the Leave Without Pay Option. The Leave Without Pay Option allows the life assured to be on employer approved leave without pay and still be regarded as actively employed, for up to 12 months.</p>

Payment of claims – When we will pay a claim (continued)

Cover type	When we will pay a claim
Business Premium Cover	We'll start paying the Business Premium Cover if, during the cover term, the life assured is diagnosed as being totally or partially disabled for a continuous period longer than the waiting period. As per Loss of Revenue Cover above.
Life Cover	We'll pay a claim if, during the cover term, the life assured dies or is diagnosed with a terminal illness.
Total & Permanent Disability Cover	<p>We will pay a claim if, during the cover term, the life assured suffers a disability that is medically confirmed as likely to prevent them from ever being able to return to work again. The definition of total and permanent disability depends on which definition you have chosen and whether the life assured is employed or not.</p> <p>Own Occupation Definition</p> <ul style="list-style-type: none"> • is unable to work in their current occupation. <p>Any Occupation Definition</p> <ul style="list-style-type: none"> • is unable to work in any occupation for which they could be reasonably suited to. <p>Non-Occupational Definition</p> <ul style="list-style-type: none"> • is totally and irreversibly unable to perform at least 2 Activities of Daily Living without the assistance of another person; or • has suffered the permanent and irreversible loss of cognitive function; or • has lost the sight of both eyes entirely and irrevocably; or • the sight of both eyes entirely and irrevocably; or • has suffered loss of hearing in both ears; or • has suffered the total and irrecoverable loss of any 2 limbs; or • is unable to perform 3 of the Normal Domestic Duties without assistance of another person.

Payment of claims – When we will pay a claim (continued)

Cover type	When we will pay a claim
<p>Trauma Cover</p>	<p>We will pay a claim if, during the term of the cover, the life assured:</p> <ul style="list-style-type: none"> • Is diagnosed with one of the following listed conditions and meets our definition for that condition: <ul style="list-style-type: none"> • Adult Insulin Dependent Diabetes Mellitus ★ ◆ • Alzheimer’s Disease or Dementia ▲ • Aneurysm ★ • Angioplasty ▲ ◆ • Aortic Surgery • Aplastic Anaemia • Benign Brain Tumour ▲ • Benign Spine Tumour ▲ • Blindness ▲ • Cancer ▲ ◆ • Cardiac Defibrillator Insertion ★ ◆ • Cardiomyopathy ▲ • Chronic Kidney Failure ▲ • Chronic Liver Failure ▲ • Chronic Lung Failure ▲ • Colostomy and/or Ileostomy ★ • Coma • Coronary Artery Surgery ◆ • Creutzfeldt-Jakob Disease (CJD) • Deafness ▲ • Diabetes ◆ • Encephalitis ▲ • Heart Attack ◆ • Heart Valve Replacement ▲ • HIV • Hydrocephalus ★ • Intensive Care Treatment • Loss of Independent Existence • Loss of Limbs • Loss of Limb and Sight • Loss of Speech ▲ • Major Burns • Major Head Trauma • Meningitis and/or Meningococcal Disease • Minor Burns ★ • Motor Neurone Disease • Multiple Sclerosis ▲ • Muscular Dystrophy • Open Heart Surgery ◆ • Organ Transplant • Out of Hospital Cardiac Arrest • Pacemaker Insertion ★ ◆ • Paralysis • Parkinson’s Disease • Peripheral Neuropathy • Pneumonectomy • Primary Pulmonary Hypertension • Severe Inflammatory Bowel Disease • Severe Osteoporosis ★ • Severe Rheumatoid Arthritis • Stroke ◆ • Systemic Sclerosis ▲ • Systemic Lupus Erythematosus (SLE) with Lupus Nephritis • Terminal Illness (standalone only) • Total and Permanent Disability (Own Occupation) <div data-bbox="1051 837 1394 1850" style="border: 1px solid black; padding: 10px; margin-top: 20px;"> <p>▲ For these conditions we will pay an early diagnosis payment of 25% of the sum insured or \$100,000 whichever is the lesser, immediately upon diagnosis of the condition with the balance of the sum insured paid once either the full definition for the condition is met or another condition is suffered.</p> <p>◆ A partial payment is also payable for some lesser cancers which do not meet the full cancer definition.</p> <p>★ For these conditions we will pay a partial payment of 25% of the sum insured or \$100,000, whichever is the lesser, upon diagnosis of the condition with the balance of the sum insured remaining for any other covered conditions.</p> <p>◆ For these conditions no cover is provided in the first 90 days immediately following Partners Life receiving the application form.</p> <p>All dependent children of the life assured between the ages of 4 months and 21 years automatically receive \$50,000 of free cover. We’ll pay this cover if the dependent child suffers any of the listed conditions above.</p> </div>

Payment of claims – When we will pay a claim (continued)

Cover type	When we will pay a claim
Severe Trauma Cover	<p>We'll pay a claim if, during the term of the cover, the life assured is diagnosed with one of the following listed conditions and meets our definition for that condition:</p> <ul style="list-style-type: none"> • Alzheimer's Disease or Dementia ♥ • Advanced AIDS ● • Aplastic Anaemia • Blindness • Cancer ♥♦ • Cardiomyopathy • Chronic Kidney Failure • Chronic Liver Failure • Chronic Lung Failure • Cognitive Impairment ● • Coma ♥ • Creutzfeldt-Jakob Disease (CJD) • Deafness ♥ • Diabetes ♦ • Encephalitis • Heart Attack ♥♦ • Intensive Care Treatment ♥ • Loss of Independent Existence • Loss of Limbs ♥ • Loss of Limb and Sight • Loss of Speech • Major Burns • Major Head Trauma • Meningitis and/or Meningococcal Disease • Motor Neurone Disease ♥ • Multiple Sclerosis • Muscular Dystrophy ♥ • Organ Transplant • Paralysis (Plegias) ♥ • Parkinson's Disease ♥ • Peripheral Neuropathy • Primary Pulmonary Hypertension • Severe Congestive Cardiac Failure ● • Severe Peripheral Vascular Disease ● • Stroke ♥♦ • Systemic Sclerosis • Terminal Illness (standalone only) <p>Covered condition option</p> <ul style="list-style-type: none"> • Total and Permanent Disability <div data-bbox="1051 837 1394 1341" style="border: 1px solid black; padding: 10px; margin-top: 20px;"> <ul style="list-style-type: none"> ♦ For these conditions no cover is provided in the first 90 days immediately following the commencement date of the cover. ♥ These conditions have more severe criteria than the same condition under Trauma Cover. ● These conditions are unique to Severe Trauma Cover, however a claim against one of these conditions would likely also result in a Trauma Cover claim under one of the "catch all" conditions, such as Total and Permanent Disability. </div>

How much we will pay – Loss of Revenue Cover and Variable Loss of Revenue Cover

Cover type	How much we will pay
Total Disability	<p>Loss of Revenue Cover: We will pay the monthly benefit which is calculated as the applicable monthly sum insured less any offsets that are applicable.</p> <p>Variable Loss of Revenue Cover: We will pay the monthly benefit which is calculated as the applicable monthly sum insured less any offsets that are applicable.</p> <p>We'll pay this Total Disability Benefit monthly in advance.</p>
Partial Disability	<p>Loss of Revenue Cover: We will pay a proportion of the monthly benefit which is calculated as the applicable monthly sum insured less any offsets that are applicable. The benefit payable will be apportioned to the number of hours not able to be worked.</p> <p>Variable Loss of Revenue Cover: We will pay a proportion of the monthly benefit which is calculated as the applicable monthly sum insured less any offsets that are applicable. The benefit payable will be apportioned to the number of hours not able to be worked.</p> <p>We'll pay this Partial Disability Benefit monthly in advance.</p>
Peak Season Booster Option	<p>If you purchase this Peak Season Booster Option, for the selected 3 months we'll pay an additional 25%, 50%, or 100% of your monthly benefit, as selected at application.</p> <p>This option is only available on Loss of Revenue Cover.</p>
Offsets	<p>We will offset any amounts received, or entitled to be received by the business, from any other insurance benefits which are payable because of the life assured's disability.</p> <p>We will not offset:</p> <ul style="list-style-type: none"> • Ongoing business income which continues to be received during the period of disability of the life assured • Personal income protection policies payable to the life assured in respect of their disability • Benefits or payments received from the Accident Compensation Corporation or any other government organisations payable to the life assured in respect of their disability

Your payments for your plan – When and how we can change the premiums on your plan

Adjustment	Timing
Annual age adjustments	Premiums for all covers will be adjusted on each policy anniversary in accordance with the increased age of the life assured, unless you selected a Level Premium Option
Increasing covers	If you increase the sum insured either under the Business Future Insurability Option or following a health assessment of the life assured by Partners Life, then the premium you pay will also increase.
Adding covers	If you add new covers or additional lives assured to the plan then the premium you pay will also increase.
Reducing covers	If you remove or reduce covers then the premium you pay will also reduce.

Ceasing cover – When and how the cover or plan can cease

Event	Cover
<p>Bankruptcy, Receivership, Liquidation, Winding up or compromise of creditors of the Business</p>	<p>Partners Life will not pay a benefit and the policy will automatically be deemed to be cancelled in the event of the any one (1) of more of the following:</p> <ul style="list-style-type: none"> • Bankruptcy of the owners of the Business where such bankruptcy may have a significant impact on the ongoing viability of the Business ; or • Receivership of the Business; or • Liquidation of the Business; or • Winding-up of the Business; or • Court-order for winding up of the Business; or • The compromise of creditors of the Business; unless <p>Such action has occurred as a direct result of the death or disability of the life assured in which case a claim would be payable.</p>
<p>Expiry</p>	<p>If the life assured reaches the expiry age of one of the covers we will not pay any benefits payable under that cover for the life assured.</p>
<p>Non-payment of premiums</p>	<p>If your total premium is not paid by the premium due date and all or part of it remains unpaid for 31 days or more, your policy will automatically lapse meaning all cover will cease immediately.</p>
<p>Owner request</p>	<p>You can request to cancel the cover at any time. Once you have asked us to cancel the all or some of your protection plan, you won't be able to make claims against any benefits under the canceled covers.</p>

The Options – The following table outlines the options that you can choose to apply to the various covers. The option you select will have an impact on the premium payable.

	Options	Ownership Buyout, Debt Protection and Permanent Loss of Key Person Covers	Loss of Revenue Cover	Variable Loss of Revenue Cover	Business Premium Cover	Life Cover	Trauma Cover	Severe Trauma Cover	Total & Permanent Disability Cover
Definition of disability	Own occupation	✓	✓	✓	✓	n/a	✓	n/a optional own occupation	✓
	Any occupation								✓
Waiting period	4 weeks	n/a	✓	✓	✓	n/a	n/a	n/a	n/a
	8 weeks		✓	✓	✓				
	13 weeks		✓	✓	✓				
	26 Weeks		✓	✓	✓				
Payment term per claim	6 months	n/a	✓	n/a	✓	n/a	n/a	n/a	n/a
	12 months		✓	✓	✓				
	24 months		✓	n/a	✓				
	36 months		✓	n/a	✓				
Business Future Insurability Option		✓	✓	✓	n/a	✓	✓	✓	
Leave Without Pay Option		n/a	✓	✓	n/a	n/a	n/a	n/a	
Payment frequency	Weekly	✓	✓	✓	✓	✓	✓	✓	✓
	Fortnightly	✓	✓	✓	✓	✓	✓	✓	✓
	Monthly	✓	✓	✓	✓	✓	✓	✓	✓
	Quarterly	✓	✓	✓	✓	✓	✓	✓	✓
	Half-yearly	✓	✓	✓	✓	✓	✓	✓	✓
	Yearly	✓	✓	✓	✓	✓	✓	✓	✓

The Limits – The following table outlines the standard limits that apply to the various covers.

	Limits	Ownership Buyout, Debt Protection and Permanent Loss of Key Person Covers	Loss of Revenue Cover	Variable Loss of Revenue Cover	Business Premium Cover	Life Cover	Trauma Cover	Severe Trauma Cover	Total & Permanent Disability Cover
Age at which cover expires	No expiry					✓	✓	✓	✓ Restrictions apply from age 65
	Age 65		✓	✓	✓				
	Age 70	✓ Total Long Term Disability and Total and Permanent Disability	✓	✓	✓				
	Age 75	✓ Death and terminal illness							
Maximum amount of cover	No limit				n/a	✓			
	\$5m						✓ For total of all combined trauma covers	✓ For total of all combined trauma covers	✓ For total of all combined TPD covers
	\$6m	✓ For total of all combined non-life cover					✓ For total of all combined non-life covers	✓ For total of all combined non-life covers	✓ For total of all combined non-life covers
	\$50,000 per month		✓ 36 month payment term						
Minimum age to apply for cover	\$60,000 per month		✓ All other payment terms	✓					
	10					✓	✓	✓	
	16								✓
	18	✓	✓	✓	✓				
Maximum age to apply for cover	55								✓
	60	✓	✓	✓	✓				
	70					✓	✓	✓	
Inflation indexation options	No indexation	✓	✓	✓	n/a	✓	✓	✓	✓
	Choice of CPI, or CPI with a minimum of 5%					✓	✓	✓	✓
Coverage	Resident in NZ or Australia	✓	✓	✓	✓	✓	✓	✓	✓
	Worldwide		✓ Limitations apply	✓ Limitations apply		✓	✓	✓	✓

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This overview is a marketing document that highlights a number of the key features of Business Protection Plan. The full terms and conditions that apply to those features and to the overall Business Protection Plan are detailed in the Business Protection Plan Policy Document is available from your adviser.