

## Platinum Plus – Business Expenses Cover

Your cover in detail.

### 1 INTRODUCTION

This Business Expenses Cover provides **you** with a monthly amount towards the **approved expenses** while the **insured person** is **totally disabled** or **partially disabled**.

The **schedule** will show which **insured person** this Business Expenses Cover applies to and any additional options that may apply.

### 2 BUILT IN BENEFITS

The following benefits are provided by this Business Expenses Cover.

#### 2.1 Total Disability Benefit

If the **insured person**:

- has been **totally disabled** or **partially disabled** for the **waiting period**; and
- is **totally disabled** at the end of the **waiting period**,

**we** will pay **you** the Total Disability Benefit monthly in arrears until the earliest of:

- the **insured person** is no longer **totally disabled**, or
- there is no longer a loss of business turnover, or
- the **benefit period** ends, or
- the cover ends (see section 7).

Any payment for a period of less than one month is calculated on a pro-rata basis.

##### 2.1.1 How much do we pay?

**We** will pay the lesser of the:

- **business expenses** actually incurred, or
- **monthly benefit** for the first 12 months and 50% of the **monthly benefit** for the next 12 months.

The **monthly benefit** will be reduced on a pro-rata basis by **locum** or **business expenses** reimbursed under other policies insuring the same eligible expenses.

##### 2.1.2 Advance payment

**We** will pay an advance payment at the end of the **waiting period** if:

- (a) **you** have provided **us** with the claims assessment information required to assess **your** claim; and
- (b) **we** accept **your** claim before the **waiting period** ends.

The advance payment will be 50% of the first month's **monthly benefit**.

Any advance payment will be deducted from the first month's **monthly benefit**.

#### 2.2 Partial Disability Benefit

If the **insured person**:

- (a) has been **totally disabled** or **partially disabled** for the **waiting period**; and
- (b) is **partially disabled** either:
  - at the end of the **waiting period**, or
  - following a period of **total disability**,

**we** will pay **you** the Partial Disability Benefit monthly in arrears until the earliest of:

- the **insured person** is no longer **partially disabled**, or
- there is no longer a partial loss of business turnover, or
- the **benefit period** ends, or
- the cover ends (see section 7).

Any payment for a period of less than one month is calculated on a pro-rata basis.

## 2.1.1 How much do we pay?

We will pay the lesser of:

- (a)  $(A - B) / A$  x the **monthly benefit**, or
- (b)  $(A - B) / A$  x the **insured person's share of the business expenses** that relate to the period of **partial disability**
  - 'A' is the **insured person's share of the business income** in the 12 month period immediately before **his or her disability**.
  - 'B' is the **insured person's annualised share of the current month's business income** for the month in which **partial disability** is claimed.

The Partial Disability Benefit is subject to a maximum of 100% of the **monthly benefit** for the first 12 months and 50% of the **monthly benefit** for the next 12 months.

The **monthly benefit** will be reduced on a pro-rata basis by **locum or business expenses** reimbursed under other policies insuring the same eligible expenses.

When **we** consider the **insured person** is **partially disabled** and **he or she** is not working, or is not working to **his or her** capacity, then **we** will calculate the current month's share of **business income** as the share of **business income he or she** could reasonably be expected to generate if **he or she** was working or working to their capacity.

## 2.3 Recurring Claim Benefit

We will waive the **waiting period** on a recurrent claim if:

- (a) an **insured person** was no longer **totally disabled** or **partially disabled**, and
- (b) during the first 12 months after the claim ends, **he or she** becomes **totally disabled** or **partially disabled** again because of a recurrence of the same or related injury or sickness.

We will treat the recurrent claim as a continuation of the previous claim and these payments together with the payments made under the previous claim will be added together when applying the **benefit period**.

We will pay the Total Disability Benefit or Partial Disability Benefit from the date of the recurrence of the **total disability** or **partial disability** under the terms of section 2.1 or 2.2.

## 2.4 Benefit period reset

The **waiting period** and a new **benefit period** will apply where an **insured person**:

- (a) was no longer **totally disabled** or **partially disabled**, and
- (b) has returned to full time paid work performing all the important income producing duties without limitation for at least:
  - 12 continuous months, where the full **benefit period** has not been used at the date of that recurrence, or
  - six continuous months where the full **benefit period** has been used at the date of that recurrence, and
- (c) is not eligible for the Recurring Claim Benefit, and
- (d) becomes **totally disabled** or **partially disabled** because of a recurrence of the same or related injury or sickness for which **we** have previously paid a **total disability** or **partial disability** claim under this Business Expenses Cover.

## 2.5 Waiver of waiting period

We will not apply the **waiting period** on a new claim for an **insured person** resulting from a sickness or injury unrelated to a previous claim provided that:

- a **waiting period** applied to the previous claim; and
- the new claim occurs within 12 months of the **insured person's** return to work from the previous unrelated claim; and
- the new claim is for a continuous period of at least 90 days.

We will pay the Total Disability Benefit or Partial Disability Benefit from the date of that **total disability** or **partial disability** under the terms of section 2.1 or 2.2.

## 3 ADDITIONAL OPTIONS

### 3.1 CPI Option

The **schedule** will show if this CPI Option is included in this Business Expenses Cover and which **insured person's** cover it applies to. How **we** apply the Indexation Option is set out in section 4 of the Policy Terms and Conditions.

The last increase under this CPI Option for that **insured person** under the Business Expenses Cover will be applied on the **policy anniversary** before **his** or **her** 65th birthday.

## 4 CLAIMS

### 4.1 Notice

**You** or the **insured person** must notify **us** in writing immediately if **you** or the **insured person** become aware of any circumstance likely to lead to a claim.

**We** will advise **you** or the **insured person** of the requirements **we** need to assess **your** claim.

If **we** receive notification of a claim more than 60 days after the date the **insured person** was **totally disabled** or **partially disabled**, **we** reserve the right to start benefits from the date of notification.

### 4.2 Obligations

**You** and the **insured person** must throughout the life of the claim:

- Complete **our** claim forms in full and send it to **us** as soon as reasonably possible.
- Authorise the disclosure to **us** of **his** or **her** or **your** personal information in connection with the claim held by any other party.
- Authorise the disclosure of **his** or **her** or **your** personal information held by **us** to another party to evaluate the claim.
- Provide **us** with any other relevant information **we** reasonably require. This may include but is not limited to financial, medical and occupational evidence.

The **insured person** must throughout the life of the claim:

- Obtain medical treatment as soon as reasonably possible from a **medical practitioner** and follow their advice including medical treatment, surgical treatment and rehabilitation plans.
- Undergo one or more medical examinations and attend any **specialist medical practitioner** or other appointments arranged by **us** at **our** expense if **we** reasonably request them for the purposes of assessing and managing **your** claim. This may include blood tests and medical testing.

**You** must pay any expenses incurred in proving your claim.

If **you** or the **insured person** do not meet any of the above when reasonably requested by **us**, **we** have the right to either decline or stop the claim. **We** will give **you** notice in writing of our intention to stop the claim and set out our requirements to restart payment. Payments will not be made for any time the claim was stopped and will only recommence from the date **we** receive all of the outstanding requirements

### 4.3 Payments

Benefits are paid monthly in arrears. Any payment for a period of less than one month is calculated on a pro-rata basis based on a 30-day month.

## 5 EXCLUSIONS

**You** cannot claim under this Cover for sickness or injury in connection with:

- (a) the normal effects of pregnancy or childbirth.
- (b) self-inflicted act or injury.
- (c) any specific event or cause agreed between **you** and **us** and endorsed on the **schedule**.

## 6 LIMITATIONS

### 6.1 Concurrent disability

For each **insured person you** can only claim for one **total disability** or **partial disability** under this Business Expenses Cover at any one time.

## 7 WHEN THIS COVER ENDS

This Business Expenses Cover ends for an **insured person** on the earliest of the date:

- (a) **you** cancel **his** or **her** Business Expenses Cover, or
- (b) this Policy ends for any reason, or
- (c) **his** or **her** 65th birthday, or
- (d) **he** or **she** dies.

## 8 DEFINITIONS

The definitions shown below apply to all derivatives of the words defined.

### Approved expenses

The following **business expenses** actually incurred:

- 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
- Employing 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.

Shared expenses are apportioned according to the earned income of the **insured person** and the total earned income of all persons amongst whom the expenses are shared.

Prepaid or accrued **business expenses** will be apportioned over the period to which they relate.

### Benefit period

The period shown in the **schedule** adjacent to Benefit Period.

### Business expenses

**Approved expenses** that are normally and customarily incurred in the conduct of the **insured person's** business.

### Business income

Income earned by the business (to which this Business Expenses Cover applies) after deducting expenses and income tax.

## Locum

A person who performs the duties of an **insured person**.

## Non approved expenses

**Business expenses** do not include the following non approved expenses:

- Salaries and other related costs (e.g. tax, superannuation, FBT) for the **insured person** 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 before 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 other finance agreement
- Taxes levied by the Inland Revenue Department.

## Partially disabled/partial disability

The **insured person** is partially disabled, if as a direct result of sickness or injury, **he or she** is:

- under the regular and personal care of a **medical practitioner** who has provided them with written confirmation of the need to reduce **his or her** hours; and
- is working (or could work) but because of continuing sickness or injury **his or her** share of **business income** is less than **his or her** share of pre-disability **business income**.

## Totally Disabled/total disability

The **insured person** is totally disabled if as a direct result of sickness or injury **he or she** is:

- under the regular and personal care of a **medical practitioner**; and
- unable to:
  - (a) perform at least one important income producing duty, or
  - (b) engage in **his or her** own occupation for more than 10 hours per week; and
- not working in any other occupation.

## Waiting period

The period shown in the **schedule** that must have passed before a benefit can be paid under this Policy unless stated otherwise. The waiting period starts from the date the **insured person** receives written notification from an appropriate **medical practitioner** confirming **he or she** is unable to work due to **total disability** or need to reduce hours of work due to **partial disability**.