

10 Reasons To Have Insurance If You're In Business

Succeeding in business is challenging enough, without having to worry about the consequences of illness, injury or death. Loss of a key person – permanently or temporarily – could have a dramatic effect on your business. Insurance is your back-up plan

- 1. You're the boss and the buck stops with you.** What happens to your business if you're left ill or disabled and unable to work? There are several types of insurance cover that could help your business to survive.
- 2. Unexpected death or disablement of a partner or key shareholder can put the business at risk.** The right kind of life insurance can provide the money for surviving partners to purchase the insured's share of the business.
- 3. Loans don't go away when a tragedy occurs.** Life Cover or Total Permanent Disablement cover can enable repayment of business debts, protecting assets that might otherwise have to be sold.
- 4. Key people hold the success of your business in their hands.** A key person is an employee or contractor whose skills and expertise are essential to the function and profitability of your business. By insuring your key people, the company owns the policy and receives claim money that can compensate for the loss of a key person.
- 5. At some point, there's a good chance that you or a key person will be too sick to work for an extended period of time.** Two out of five people will be unable to work for six months or more because of sickness or an accident.¹ Various types of insurance, including Locum Cover, can help to keep the business running smoothly.
- 6. Sickness is more likely to leave you with a long-term disability.** Of disabilities lasting six months or more, only one in 20 are related to accidental causes.² Insurance can help to keep your business running while you recover.
- 7. Many people die before the age of 65.** Most of us think we'll live to a ripe old age, but one in six males and one in nine females over the age of 30 will die before they reach 65.³ Life Cover pays a lump sum if the insured person dies.
- 8. Recovery is faster without financial stress.** Worrying about your business doesn't help recovery after an illness or accident. Insurance eases your concerns, so that you can relax and get better.
- 9. Of cancer patients, 52% of males and 59% of females will still be alive five years later.**⁴ Treatment for cancer often makes it hard or impossible for people to work. Insurance can provide financial resources to help your business survive.
- 10. If a key person has a stroke, survival could mean ongoing disability.** A study of the Auckland population reveals that while the number of deaths after stroke has declined, there has been a significant increase in the number of people with an impaired level of consciousness and mobility following stroke.⁵ A lump-sum Total Permanent Disablement payment could be invaluable to your business if this happens.

1. ACC BERL Report, November, 1996

2. Statistics New Zealand, 2001

3. NZ Life Tables, 2000-02

4. South Australian Cancer Registry, 2003

5. The George Institute for International Health, in collaboration with Auckland City Hospital

Kevin S Hickland

Senior Risk Advisor (RFA/FSP 156644) Apex Advice Group

DDI: (09) 968-9776 | F: (09) 523 4836

Home Office (09) 521 3474 Mob (027)2044301

E: kevinh@apexgroup.co.nz | W: www.apexadvice.co.nz

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