

Business Insurance

# case history

preparing for

‘what if’



AVIVA

# Cover for 'what if' and growth

## Why business insurance?

Starting and running a business of your own can be challenging and ultimately rewarding, but there are usually a few bumps along the road. One of the important issues worth considering is the need to protect the business and the people working in it. With the right protection package in place, the business owners can concentrate all their efforts on growing the business, confident that should unforeseen situations occur, financial security would be maintained.

## Aviva has the solution

Aviva's Business Protection Option gives you the flexibility to increase the amount of cover to reflect a revised business value or increased debt.

## How it works

You can apply now for this valuable product option and ensure you have the future flexibility to raise your protection cover, as your business needs change.

Would you want a product without this kind of flexibility or have your business without adequate protection when you need it most?

Think how the following issues might lead to reviewing your insurance:

- business succession planning
- loan guarantor issues
- key person dependencies

## Aviva's Business Protection Option – cover and flexibility

The initial amount of death, disability and critical illness cover can increase in line with your business growth, by up to three times (specific increase limits are printed within the current Aviva Protection*first* Product Disclosure Statement).

You can review your policy each year at renewal date. When it's done you can relax knowing your business has sufficient protection for future years.

Your adviser can assess your business' financial situation to ensure your protection is appropriate for all your needs.



## Preparing for 'what if?'

Mr Nick Doyle and Mr Andrew Peters originally held senior positions in big graphic design firms. They met in 2002 and discovered a mutual desire to 'do their own thing' and start a new company. They worked hard over the next 12 months and found clients who were attracted to their 'can do' attitude and no nonsense approach. Then disaster struck. Nick came off his bike when riding with friends and ended up in hospital with a fractured arm and pelvis.

Nick's injuries were not life threatening, but his accident suddenly put pressure on the business. He spent two weeks in hospital, and had four weeks therapy. Work started piling up and Andrew struggled to cope being a 'man down'. Potential revenue opportunities were lost. Even when Nick was able to return to work, his damaged arm made it impossible to do his job fully.

As with any business the bills kept coming in and the loan commitments for equipment remained. Cash flow dried up and the partners found it difficult to draw a salary.

Fortunately their accountant was able to help them re-finance the business, but at the cost of a second mortgage over their homes. With Nick finally back on his feet, the partners set about rebuilding and trying to re-capture much of the business and goodwill they had lost. It was a tough six months or so, but they soon started to move forward again.

The incident caused the partners to take stock and review their whole business plan and financial model. While they both had life insurance it was clear that this was not sufficient to cover every eventuality. Their accountant put them in touch with a qualified financial adviser who went through a detailed needs analysis. The partners and their business were vulnerable in a number of areas. Their adviser recommended a number of initiatives, including Buy/Sell funding together with a formal legal agreement, income protection, key person cover and business expenses insurance to protect them, now and into the future.

Nick and Andrew can now do what they do best and concentrate on their business with confidence that they are protected from 'what if'.





## What you need to know

To find out more, talk to your financial adviser to explain the advantages of insurance for your business and tailor a package to suit your needs.

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A PDS is available from Aviva or your financial adviser. Investors should consider the PDS before making an investment decision or deciding to continue to hold a product.

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