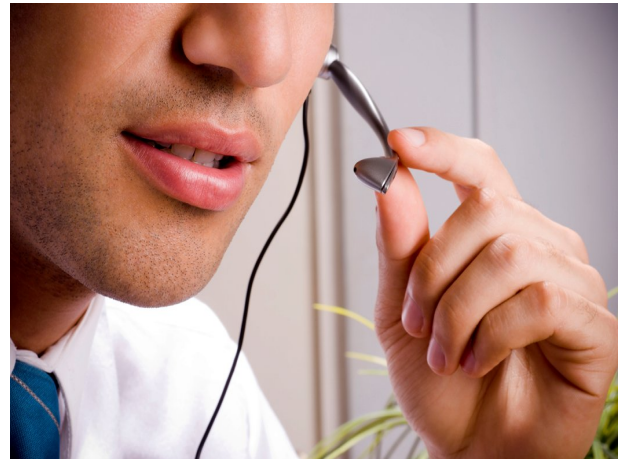


Zinc Business Protection Policy Cover Summary

Limited Company, Partnership and Limited Liability Partnership

Business Protection is a unique combination of covers, focused on business survival in the absence of one of its key persons. The cover is a form of accident, disability, sickness, critical illness or income protection rolled into one keyman policy.

Benefits are payable to the business for various expenses and costs, should a Director or Partner suffer an illness or accidental death or injury, resulting in their inability to perform their usual occupation. Pre-existing conditions within 36 months of the policy effective date are excluded.



All the following sections of cover apply and should the policy be triggered by illness or injury to, or accidental death of, an insured Director or Partner, the business can choose under which sections to claim, subject to the insured person and section limits, and overall policy limit. Death by natural causes is excluded.

Cover	Maximum Section Benefit	Maximum Monthly Benefit	Maximum Benefit Period
Following permanent disability , a lump sum is payable to the business	100% of chosen policy limit	Not applicable	Not applicable
Following accidental death , a lump sum is payable to the business	25% of chosen policy limit	Not applicable	Not applicable
Following temporary total disability of an insured Director or Partner, a monthly benefit is payable to the business and can be claimed under a number of sections of cover, subject to the excess selected. Reimbursement following temporary partial disability shall not exceed 50% of the relevant maximum benefit.			
Reimbursement of interest payable on a business overdraft facility	20% of chosen policy limit	£833	12 months
Reimbursement of monthly business loan payments	60% of chosen policy limit	£2,500	12 months
Reimbursement of monthly business mortgage or lease payments	60% of chosen policy limit	£2,500	12 months
Reimbursement of recruitment agency fees in replacing a key executive	£15,000	Not applicable	12 months
Reimbursement of salary paid to a replacement executive	60% of chosen policy limit	1/12 th of the Section Benefit	12 months
Reimbursement of rehabilitation expenses in expediting a return to work	£5,000	Not applicable	12 months

Examples of how claims might be managed under this Zinc Business Protection policy are shown on the following pages. These are indicative only, and each claim will be considered on its own merits and particular circumstances.

zinc business protection insurance

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Claim Scenario Examples

Design & Marketing Company

- Managing Director (age 46) is majority shareholder; 10 employees; 3 Directors.
- MD suffers serious car crash which results in 4 months off work. Injuries incurred to legs and head. Full recovery expected after 6 months.
- Policy indemnity £100,000, excess 60 days.
- Annual premium to insure MD approximately £873.

The claim was adjusted along following lines:

No need to investigate pre-existing condition clause. The extent of cover under the policy was explained to all Directors. All payments made payable to the Company and on a reimbursement basis.

The following sections paid out under policy:

Rehabilitation costs:	£3,500
Commercial mortgage repayments: (total disability, maximum £2,500/month for 2 months):	£5,000
(partial disability, maximum 50% for 2 months):	£2,500
Temporary Design Executive: (total disability, maximum £5,000/month for 2 months):	£10,000
(partial disability, maximum 50% for 2 months):	£5,000
Recruitment agency fees:	£3,900
Total	£29,900

Notes:

The insurer liaised with the Directors of the Company and the Insured Person and agreed how the claim could be managed. The following scenario would have been discussed and signed off as part of reaching quantum under the policy:

- The insurer verified through the company and with the MD &/or his family extent of injuries and circumstances of accident.
- The company agreed to pay for additional physiotherapy and psychotherapy when the MD left hospital and required rehabilitation. It was felt that the out patients service of the local hospital would not allow for the intensive treatment required to speed up recovery. The insurer verified these invoices when submitted through the company.



- The company owned their own building and agreed that after the excess had expired the monthly costs of the mortgage would be reimbursed under the policy. The insurer was provided with documents proving the monthly costs under this arrangement.
- As the MD had specific skills towards innovative design it was agreed that the company would hire a Design Consultant on a four month contract to bolster the management team with specific skills towards design. This exercise was initiated three weeks after the accident as it was clear the injuries incurred would exceed the excess of 60 days. They appointed an individual on a four month contract with 30 days notice, 2 weeks after the excess expired. The insurer was informed of the cost of hiring such an individual and verified the actual payments with copies of the invoices levied by the hired individual.
- In respect of both of the above, two months costs were fully reimbursed, and two months at 50%, as the MD was able to partially return to work after 4 months, with recovery completed after six months.
- The recruitment agency fees incurred to hire the Design Consultant were verified by the insurer by checking the invoice from the recruitment agency.

Firm of Accountants

- Senior Partner (age 57); 8 Partners.
- Senior Partner suffers heart attack resulting in bypass surgery and 8 months off work.
- Policy indemnity £150,000, excess 60 days. Annual premium to insure senior partner approximately £1,583.

The claim was adjusted along following lines:

The insurer would investigate whether the individual had any previous condition as defined under the pre-existing medical condition clause. Should the Partner have received or was aware of issues concerning his heart and was taking medication, the claim would be declined. However in these circumstances this was not the case. The insurer explained the extent of cover under the policy to the other Partners. All payments were made to the Partnership and on a reimbursement basis.

The following sections paid out under policy:

Rehabilitation costs: The partner's own private medical insurance was utilised	
Commercial mortgage repayments (maximum £2,500/month for 6 months):	£15,000
Commercial loan for IT equipment (maximum £2,500/month for 6 months):	£15,000
Temporary Locum Accountant (maximum £7,500/month for 6 months):	£45,000
Recruitment agency fees:	£7,500
Total	£82,500

Notes:

The insurer liaised with the Partners of the firm and agreed how the claim could be managed and explained the cover afforded under the policy. The following scenario would have been discussed and signed off as part of reaching quantum under the policy:

- As the Senior Partner had private medical cover allowing for rehabilitation to be provided, the Partners accepted this element would be sourced through that insurance cover.
- As the practice owned its own building, the monthly mortgage payments would be met under the terms of the policy. The insurer would verify the monthly costs beforehand and check the monthly amounts due to be paid prior to the Partner returning to work. The maximum amount per month was claimed.
- The practice would employ a temporary executive on a short term contract to undertake some of the additional administration. This was sourced through a specialist recruitment agency. The insurer would verify the amounts being paid to the individual either through PAYE or by invoice from the agency before signing off. The insurer would also verify that the individual was sourced after the incident to the Partner and that payments attributed to the temporary executive were after the excess period had been exhausted. The maximum benefit was claimed for 6 months.
- The recruitment agency fees would be verified by the insurer checking the invoice and terms under the appointment of the temporary executive.

NB. Had the insured person remained permanently disabled, exhausting the indemnity period and excess, a payment to the Partnership representing any unspent limit of indemnity would have been made; in this case a total of £67,500.

Family Partnership operating a Hotel

- Senior Partner (age 49); 4 other Partners.
- Senior Partner suffered cancer of the throat; extensive treatment and operation followed. Long rehabilitation and unable to resume normal occupation of manager and front of house duties.
- Indemnity period of 12 months exhausted.
- Policy indemnity £50,000, excess 30 days.
- Annual premium to insure Senior Partner approximately £516.



The claim was adjusted along following lines:

The insurer would investigate whether the individual had any previous condition as defined under the pre-existing medical condition clause. The extent of cover under the policy was explained to the other hotel Partners. All payments made payable to the Partnership and on a reimbursement basis.

The following sections paid out under policy:

Rehabilitation costs (maximum):	£5,000
Commercial mortgage repayments (£1,500/month for 8 months):	£12,000
Commercial loan for kitchen equipment (maximum £400/month for 8 months):	£3,200
Three temporary executives hired over next 8 months to assist in "front of house" duties. All entered into 2 month rolling contracts with a 30 day notice period at £4,000/month for 8 months:	£32,000
Recruitment agency fees:	£7,500
Total	£59,700

After 9 months, it was apparent that the individual would be unable to resume usual duties within the 12 month indemnity period. The hotel was unable to claim for all potential costs incurred as the indemnity selected was not adequate. The total claim paid and reimbursed to the Partnership business was £50,000 being the policy indemnity limit. A permanent disability payment was not made as the limit of indemnity was already exhausted.

Notes:

Similar to the previous example, but in addition, the following scenario would have been discussed and signed off as part of reaching quantum under the policy:

- Rehabilitation costs were incurred for psychotherapy spread over 6 months. The insurer verified the costs incurred to provide these and the insurer signed these off and reimbursed the Partnership.