

Zinc Business Protection



Rehabilitation

A recent survey has found that 20% of absence in the UK is due to long term illness or disability but only a quarter of small businesses are able to provide any kind of rehabilitation support.

So what happens if a key person falls ill or suffers an accident resulting in a prolonged absence?

The Chartered Institute of Personnel and Development (CIPD) Absence Management Survey Report 2008 suggests that although the majority of absence from work is for minor illnesses or injuries of up to seven days, 20% is due to long term absence of four weeks or more.

The impact on small businesses

Only 25% of small businesses provide any form of rehabilitation support to assist an employee back to work, and where this is in place, it generally does not commence until after almost nine weeks.

The CIPD also cite a 2001 study from the British Society of Rehabilitation Medicine which found that after an individual has been absent from work for six months, there is only a 50% likelihood of a return to work. This reduces to only a 25% likelihood after being absent for 12 months.

The CIPD report was based on survey responses from 819 HR professionals, covering 2.3 million UK employees. The direct average cost of absence is estimated at £666 per day; the most common causes for non manual workers being stress, acute medical conditions, mental health, musculoskeletal conditions and back pain.

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Small businesses are far more vulnerable than larger companies as often their success is dependant on one or two individuals.

Should one of these key persons suffer the misfortune of a long term accident or illness, can the business continue successfully, and will there be sufficient cash-flow to meet ongoing financial commitments such as mortgage or lease payments? And what if there is no rehabilitation support to expedite a return to work?

The CIPD report also states that "...the longer someone is off work, the less likely they are to make a successful recovery..." and "...that there is a lack of cost-effective rehabilitation support available." On average, assistance is not available for at least 2 months.

These findings are supported by Health and Safety Executive statistics. One million workers go off sick every week; 17,000 are still off after 6 weeks; 3,000 continue to be absent after 6 months; and only one fifth of these people will work again within five years.

Protection for the business

Zinc's unique Business Protection insurance provides cover for such an eventuality assisting the business in providing funds to:

- protect corporate debt and ongoing financial commitments;
- replace key executives, temporarily or permanently;
- enable rehabilitation support to expedite recovery;
- buy-out an existing shareholder if they become permanently disabled*.

**Advice should be sought from an accountant or solicitor to ensure that the appropriate legal and tax provisions are in place.*

Not only are rehabilitation expenses covered by the policy, there is no excess or waiting period under this section, so treatment can commence as soon as the illness/condition has been confirmed.

Zinc's Business Protection therefore provides an ideal solution to supporting a key person in returning to work.



Similar business protection insurances, the majority available through Independent Financial Advisers, usually offer cover predominantly in the event of death of a key person. The Zinc policy provides a much wider, more flexible suite of cover and as it is delivered online, it is simple, practical and affordable.

Also, as pre-existing medical conditions (within the last three years) are excluded, there are no requirements for lengthy proposal forms or detailed medical information.

Not only are rehabilitation expenses covered by the policy, there is no excess or waiting period under this section, so treatment can commence as soon as the illness/condition has been confirmed.

If you would like more details regarding the cover afforded by Zinc Business Protection insurance, or you would like a quotation, please talk to your insurance broker.

This insurance is available to all types of business: Limited Companies, Partnerships, Limited Liability Partnerships and Sole Traders. Cover can be arranged to protect shareholders and the value of the shareholding built up within the business.

Zinc Business Protection starts from as little as £195 annually and is dependent upon age, excess period and the amount of indemnity required. Pre-existing medical conditions and persons engaged primarily in manual work are excluded.

For further information about Zinc Insurance Services please visit:

www.zincis.co.uk

zinc business protection insurance

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