



# momentum

## Protection against business interruptions

For most business owners their business and the income that the business generates is one of their most important assets. The business owner and his/her family are dependent on that income, the business' future depend on it and all the employees employed in that business is also sustained by it.

### The Risk - upon the temporary disability of the business owner

The disability of the business owner will generally have a detrimental impact on the business and will impact not only the short term income flows but also the long-term sustainability of the business. If the business cannot maintain its business overheads it will surely face losing clients, employees and potential insolvency.

### The solution

The business can insure the life of that business owner by taking out a Business Overhead Protector or Business Protector policy. This policy will ensure that there is sufficient cash flow to absorb the monthly running costs of the business and to sustain the business' salary expense for a short period of time. This will afford the business owner and business the time to review the overall impact of the disability on the business and to plan effectively for the future thereof. In this instance the business will own the policy, pay the premiums and receive the proceeds.

In addition, the business owner can also insure his own life with an Income Protection policy to replace any income lost during permanent disability. In this instance the individual business owner will own the policy and pay the premiums and upon his permanent disability the policy will start paying him an income until the age of 65.

### Benefits for the business and its employees:

- The business can continue to fund its running expenses;
- The employees will continue to receive their monthly income;
- The business' short term sustainability is secured;
- The employees can be assured that the untimely disability of their employer will not result in their immediate unemployment and
- The business owner has time to plan for the business' future. If he is only temporarily disabled, the business will continue unhindered upon his recovery. Should his disability be permanent, the business can sustain itself during the winding-up process.

## Benefit for the business owner:

- The business owner can focus on recovery with the knowledge that the business is self-sufficient;
- The business owner is secured of an income during his disability;
- The business owner's dependents' standard of living will not be unnecessarily impacted on; and
- Should the business owner's disability become permanent, he will continue to receive an income until retirement age.