



BUSINESS PERSON ELECT

Why Choose BPE?

Business Person Elect has been designed for the business owner who understands the risks involved with being self employed. Being a business owner and financially self reliant, you carry a greater risk of not being able to sustain your personal income from your business should you become incapacitated. The reality is that every financial obligation, including debt repayment, medical aid premiums and retirement plans, would all be in jeopardy should your personal income be disrupted due to an accident or illness.

With the benefit of many years of experience, FMI fully understands the very different risks associated with disability claims of a temporary and permanent nature. Our claims statistics reveal that in 2009 over 77% of all Temporary Income Protection (TIP) claims lodged with FMI were illness related, and lasted an average of 82 days. It is during this brief period that income protection plays a crucial role in supporting your family and ensuring the survival of your business, which is why we insist on TIP being a compulsory benefit. With your family and business at stake, there is no excuse for you not to protect your greatest asset – your ability to earn an income.

This essential component of your financial planning is FMI's core business, which gives you peace of mind and financial security while you are unable to earn an income. Our unique underwriting and claims philosophies have been designed to support our goal of paying all valid claims. Evidence of this can be seen from the fact that in 2009, FMI paid out 99.7% of all Temporary Income Protection claims lodged.

Operating as a niche player in the income protection industry since 1995, FMI have firmly established the reputation of being the leading provider of income protection benefits to the self employed market. We aim to further enhance this reputation through constant product innovation and better understanding of the needs of business owners. FMI's simple income protection solutions allow you, the business owner, to concentrate on running your business and creating your own wealth.

Income Protection vs Lump Sum Benefits

- Income Protection covers disabilities of a temporary or permanent nature. Lump sum benefits only cover permanent disability or impairment.
- Income protection premiums have a tax advantage compared to lump sum benefits.
- The monthly payments of Income Protection cover can contribute towards the gross income of the business owner

and the running costs of a business. Lump sum payouts can contribute towards the additional medical costs associated with the treatment of the disease or disability, adaptation of home facilities, private nursing and early retirement.

Benefits

Temporary Income Protector (TIP) – This is the ideal solution for an individual who requires financial security should they be unable to perform the duties of their own occupation for less than 24 months. If selected, the optional dread disease benefit offers the life insured an enhanced benefit in the event that a disability is the result of a dread disease. In addition to this, dread disease cover for dependent children and a spouse disability benefit may also be selected.

Business Overhead Protector (BOP) – This offers protection for important business running expenses that are still incurred during the incapacitation of the business owner.

Permanent Income Protector (PIP) – This benefit has been designed to dovetail with TIP to provide uninterrupted income protection cover up until a selected age of retirement.

Benefits Unique to BPE:

- Accident only Benefit – This benefit is offered to those aged 32 or younger and requires no medical underwriting. For the first 3 years, the policy will be accident only cover at 50% of the premium. On the third policy anniversary this benefit automatically upgrades to full cover and full premium for both accident and illness benefits.
- Annual Review Benefit - Every year on anniversary, either you will have the option to increase cover by up to 20% without medical underwriting, up to age 56, or to reduce cover by any percentage.
- Re-instatement Benefit – In the event of the Annual Review Benefit being utilised to reduce cover on policy anniversary, you have the option to re-instate cover to the level at previous anniversary, without medical underwriting.
- Freeze Benefit – This benefit provides you with the opportunity to suspend your premium payments and your cover for a period of either 3 or 6 months should you find yourself in a position where you are unable to pay your premium. This benefit allows you to retain your existing policy without having to cancel and undergo new medical and financial underwriting at a later stage. At the end of the freeze period selected, your policy will re-instate to full cover and full premiums.



	Benefit	Occupation Definition	Maximum Cover	Waiting Period	Benefit Term	Notes
Temporary Income Protection Benefits	TIP Temporary Income Protector	Own	R120 000 per month or 100% of income, whichever is the lesser	Primary – 7 days in the event of an injury or illness, payable retrospectively to day 1. Monthly - 30 days in the event of either an injury or illness, pays from day 31 Quarterly - 90 days in the event of either an injury or illness, pays from day 91	6, 12 or 24 months	Compulsory Benefit Covers up to 100% of gross salary
	Dread Disease Enhancement	Own	20% of TIP benefit	Primary Monthly Quarterly	6 months or duration of TIP claim, whichever is the lesser	In the event of a TIP claim being related to a dread disease, this benefit will enhance the TIP benefit by 20%.
	Child Dread Disease	N/A	R20 000 fixed	N/A	N/A	Benefit pays out a lump sum if a policyholder's dependent child is diagnosed with a dread disease. Pays out a maximum of twice per policyholder.
	Spouse Benefit	Own	R15 000 fixed	30 days, payable retrospectively to day 1	2 months	Pays upon spouse being disabled by an injury or illness. Only one claim permitted under this benefit. Pre-existing clause applies.
Business Overhead Protection Benefits	BOP Business Overhead Protector	Own	R100 000 per month	Primary Monthly Quarterly	6, 12 or 24 months	Benefit term must be less than or equal to that of TIP. Waiting period must be greater than or equal to that of TIP. Expenses covered: rent / mortgage, property rates and taxes, electricity, water, telephone, equipment and vehicle leasing costs, insurance premiums, legal, accounting fees and auditing fees, salaries of employees, maintenance, business cleaning and laundry, advertising, postage, bank charges and subscriptions to professional associations
Permanent Income Protection Benefit	PIP Permanent Income Protector	Own or Own/Similar	R120 000 per month or 100% of income, whichever is the lesser	6, 12 or 24 months	Until selected age of retirement – 55, 60, 65 or 70.	Designed to dovetail with TIP. Provides 100% cover of gross salary until selected retirement.

Other additional benefits:

- Aggregation – FMI does not take into account any other income you are receiving during a Temporary Income Protection claim.
- Waiver of Premium (WOP) - Whilst in claim your premiums are waived for the benefit claimed on thereby providing you with additional financial relief.
- Rates Guarantee – Your rates are guaranteed for 5 years from the date of commencement of benefit.
- Drivers Extension - This pays you an amount of R250 per day should you be unable to drive (as essential to your job requirements) but are still able to continue your nominated occupation.
- Key Man Insurance - You may want to provide cover for not only yourself but your key personnel too. Business Person Elect allows for the Life Insured to be separate to the Policyholder.
- Tax Deductibility - The premium contributions for this product may be tax deductible in accordance with the Income Tax Act.

Product age eligibility

Minimum Entry age of 18.

Maximum Entry Ages available of 51, 56 or 61, calculated at age next birthday, dependent on selected termination age.

Termination Ages of 55, 60, 65 or 70.

Main advantages of FMI's Income Protection Cover

- You can manage risk protection independently of the rest of your insurance portfolio.
- BPE provides cover for your gross income, your business operating expenses as well as your staff, thereby offering you a complete income protection solution for your business.
- FMI have geared our business processes and philosophies around providing effective and flexible income protection solutions to small business owners.

Underwritten by



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