

# What is Business Expenses Insurance?



## Keeping your business afloat when you're out of action

As a business owner, you know the bills keep coming in even if you're not able to work.

If you got sick or injured and were unable to work, what would happen to your business?

Who would pay the bills?

How long would it be before you'd have to dip into your savings or take on more debt just to keep the business afloat?

**Business expenses insurance** is designed to keep paying the bills on your behalf while you focus on your recovery.

It pays a monthly benefit for up to one year to cover your fixed costs.

This can be a huge relief if the survival of your business is dependent on the income you generate.

## What expenses does it cover?

Business Expense Insurance covers the costs your business pays out regularly, for example:

- ✓ Accounting fees
- ✓ Advertising, postage, printing and stationary
- ✓ Utilities including electricity, gas, heating, water, phone, internet
- ✓ Security and cleaning costs
- ✓ Rent, property rates and taxes
- ✓ Fees for memberships to professional associations
- ✓ Leases on cars, plant and equipment
- ✓ Bank charges and interest payments on business loans
- ✓ Business related insurance premiums
- ✓ Salaries and other costs for non-income generating employees
- ✓ Net cost of a locum (someone to replace you in your absence)

## What expenses are not covered?

The cost that are typically not covered by the insurance include:

- ❖ Remuneration for the business owner and income producing employees.
- ❖ Taxes and fines
- ❖ Depreciation on real estate
- ❖ Losses on investments
- ❖ Repayments of principal of any personal loan or other finance agreement
- ❖ Capital costs including books, fixtures and fittings, furniture, merchandise or stock



### The Tax treatment

Business expenses premiums are usually tax deductible, but the claim benefits are treated as taxable income.



### How long do I wait till the benefits kick in?

You can generally choose how long you wait before the benefits start being paid.

It's typically between 14 day to 3 months and the payments are made in arrears.

The longer you wait, the lower the premium.



### How long do they last?

The maximum time the insurer will pay you benefits is 12 months. The insurance premiums are waived during this time.

A business expenses policy can be taken out as part of your income protection policy or can be a separate cover.

**Don't let your business suffer if you can't make it to work.**

To find out how we can help you please call (03) 9551 2822 or email us at [wealth@ashfords.com.au](mailto:wealth@ashfords.com.au)

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