

Insert your logo  
or business  
name here

# Business Protection Fact Find

July 2023

**(Adviser Use Only)**

<b>Adviser name</b>	
<b>Adviser business name</b>	
<b>Adviser address</b>	

<b>Date of Interview:</b>	
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## Client(s) interviewed

Business owner	Title	First name	Surname	Date of birth	Occupation
1.					
2.					
3.					
4.					

# 1. Business Information

<b>Business Name</b>			
<b>Address</b>			
<b>Industry</b>			
<b>Number of employees</b>	Full time	Part time	Casual
<b>How long has the business been in operation?</b>			
<b>What income has the client received from the business for each of the past two years?</b>		FY <input type="text"/> / <input type="text"/>	FY <input type="text"/> / <input type="text"/>
	<b>Business Owner 1</b>	\$ <input type="text"/>	\$ <input type="text"/>
	<b>Business Owner 2</b>	\$ <input type="text"/>	\$ <input type="text"/>
	<b>Business Owner 3</b>	\$ <input type="text"/>	\$ <input type="text"/>
	<b>Business Owner 4</b>	\$ <input type="text"/>	\$ <input type="text"/>
<b>Business Accountant</b> (name and phone/email contact details):			
<b>Business Solicitor</b> (name and phone/email contact details):			

## Details of any existing insurance policies

### Business Owner 1

Protection need	Policy owner	Insurer	Policy number	Amount of cover	Total premium	Premium frequency
<b>Life</b>				\$ <input type="text"/>	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
<b>TPD</b>				\$ <input type="text"/> <input type="checkbox"/> TPD (any) \$ <input type="text"/> <input type="checkbox"/> TPD (own)	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
<b>Crisis recovery (trauma)</b>				\$ <input type="text"/>	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
<b>Income protection</b>				Monthly benefit \$ <input type="text"/> Benefit period: <input type="text"/> Waiting period: <input type="text"/>	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
<b>Business expenses</b>				Monthly benefit \$ <input type="text"/> Benefit period: <input type="text"/> Waiting period: <input type="text"/>	\$ <input type="text"/>	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly

Do you have loadings or exclusions on your existing benefits?  Yes  No  Not disclosed  
 If yes, please provide details:

**Business Owner 2**

Protection need	Policy owner	Insurer	Policy number	Amount of cover	Total premium	Premium frequency
Life				\$	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
TPD				\$ <input type="text"/> <input type="checkbox"/> TPD (any) \$ <input type="text"/> <input type="checkbox"/> TPD (own)	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Crisis recovery (trauma)				\$	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Income protection				Monthly benefit \$ <input type="text"/> Benefit period: <input type="text"/> Waiting period: <input type="text"/>	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Business expenses				Monthly benefit \$ <input type="text"/> Benefit period: <input type="text"/> Waiting period: <input type="text"/>	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly

Do you have loadings or exclusions on your existing benefits?  Yes  No  Not disclosed

If yes, please provide details:

**Business Owner 3**

Protection need	Policy owner	Insurer	Policy number	Amount of cover	Total premium	Premium frequency
Life				\$	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
TPD				\$ <input type="text"/> <input type="checkbox"/> TPD (any) \$ <input type="text"/> <input type="checkbox"/> TPD (own)	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Crisis recovery (trauma)				\$	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Income protection				Monthly benefit \$ <input type="text"/> Benefit period: <input type="text"/> Waiting period: <input type="text"/>	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Business expenses				Monthly benefit \$ <input type="text"/> Benefit period: <input type="text"/> Waiting period: <input type="text"/>	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly

Do you have loadings or exclusions on your existing benefits?  Yes  No  Not disclosed

If yes, please provide details:

**Business Owner 4**

Protection need	Policy owner	Insurer	Policy number	Amount of cover	Total premium	Premium frequency
Life				\$	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
TPD				\$ <input type="text"/> <input type="checkbox"/> TPD (any) \$ <input type="text"/> <input type="checkbox"/> TPD (own)	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Crisis recovery (trauma)				\$	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Income protection				Monthly benefit \$ <input type="text"/> Benefit period: <input type="text"/> Waiting period: <input type="text"/>	\$ <input type="text"/> <input type="checkbox"/> Stepped <input type="checkbox"/> Level	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly
Business expenses				Monthly benefit \$ <input type="text"/> Benefit period: <input type="text"/> Waiting period: <input type="text"/>	\$	<input type="checkbox"/> Monthly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly

Do you have loadings or exclusions on your existing benefits?  Yes  No  Not disclosed

If yes, please provide details:

**What are the goals and priorities of the business owner(s) with regards to this advice process?**

- Asset protection (ie buy/sell or key person capital cover)
- Revenue protection (ie key person revenue cover)
- Business expenses protection

**Other comments**

Operating structure:  Sole Trader  Partnership  Unit Trust  Discretionary Trust  Company

**Diagram of business structure (optional):**



**Snapshot of business's financial position – last two financial years**

	FY <input type="text"/> / <input type="text"/>	FY <input type="text"/> / <input type="text"/>
<b>Total assets</b>	\$	\$
<b>Total liabilities</b>	\$	\$
<b>Gross revenue</b>	\$	\$
<b>Expenses</b>	\$	\$
<b>Net profit before tax</b>	\$	\$

## 2. Asset/Debt Protection

**Objective of cover:** To provide funds to repay business loans in the event of a business owner passing away or suffering a serious disability.

The owner of the policy is typically the operating entity. Premiums are not tax deductible. CGT may apply for TPD/Crisis Recovery claim proceeds.

### Information about current business assets and liabilities:

Assets	Total
Property	\$
Plant and equipment	\$
Goodwill	\$
Other intangible assets (trademarks, licenses, client registers)	\$
Other*	\$

\* Other may include : Inventory, cash, prepaid expenses, accounts receivable, short-term investments and marketable securities.

Liabilities	Total	Owner's share/responsibility for servicing the liability?
Overdraft	\$	\$
Long-term debt	\$	\$
Lines of credit	\$	\$
Equipment lease	\$	\$
Asset financing	\$	\$
Director loan	\$	\$
Other#	\$	\$

# Other liabilities may include wages and tax to be remitted.

Is any business debt secured against personal assets of the owner(s)?  Yes  No

If yes, which asset/s?

### 3. Key Person Cover – Capital Purpose

**Objective of cover:** A funding mechanism to protect the asset base of the business should one of its owners or key employees unexpectedly depart the business.

The owner of the policy is typically the operating entity. Premiums are not tax deductible and claim proceeds are not assessable for income tax purposes. CGT may apply for TPD/Crisis Recovery claim proceeds.

#### Information about capital replacement items:

<b>Key Person – Capital Purpose – Life cover</b>		
• Value of business loans	\$	
• Value of relevant shareholder loans	\$	
• Potential loss in value of business goodwill	\$	
• Potential loss in value of other business assets to be protected	\$	
• Other	\$	
<b>Subtotal</b>	<b>\$</b>	<b>A</b>
<b>Key Person – Capital Purpose – TPD &amp; Crisis Recovery cover</b>		
• Value of business loans	\$	
• Value of relevant shareholder loans	\$	
• Potential loss in value of business goodwill	\$	
• Potential loss in value of other business assets to be protected	\$	
• Other	\$	
<b>Subtotal</b>	<b>\$</b>	<b>B</b>
Provision for CGT payable on TPD & Crisis Recovery proceeds received by the operating entity	\$	$C = B \times (25\% / 75\%)*$
Total Key Person – Capital purpose – TPD & Crisis Recovery cover needed (grossed up for CGT for companies, if required)	\$	<b>B + C</b>
<b>Desired amount of Life cover (Capital Purpose) to be taken out</b>	<b>\$</b>	
<b>Desired amount of TPD cover (Capital Purpose) to be taken out</b>	<b>\$</b>	
<b>Desired amount of Crisis Recovery cover (Capital Purpose) to be taken out</b>	<b>\$</b>	

\* Where the owner is not the life insured or relative of the life insured, CGT may be payable on the proceeds of a TPD/Crisis Recovery policy received on capital account to cover the loss of a key person. No 50% general discount will be available. The company tax rate is currently 30% or 25% if your business is a 'base rate entity' for 22/23 income year.

For the purposes of this calculator, we have assumed the company tax rate is 25% (for base rate entities). To be a base rate entity, your business must have annual aggregated turnover of less than \$50 million and have no more than 80% of its assessable income as 'base rate entity passive income' (i.e. interest, dividends, rent, net capital gains, etc).

For companies with turnover above \$50 million, the tax rate is 30% and the formula to use is:  $[C = B (30\% / 70\%)]$ .

### 4. Key Person Cover – Revenue Purpose

**Objective of cover:** To protect the business against loss of revenue and/or to cover business operating expenses should a key employee unexpectedly depart the business.

The owner of the policy is typically the operating entity. Premiums are generally tax deductible and claim proceeds are assessable for income tax purposes.

**Details of key person – revenue protection:**

Is there an individual that makes a significant contribution to revenue/profitability, or whose loss would significantly increase non-fixed expenses (eg unexpected expenses that would materialise such as replacement employee/locum recruitment costs) for the business? If yes, please complete the information below.

Name	
Position, roles, duties, qualifications and skill set (ie what makes this individual a 'key person' to the business)	
Salary	
Date of birth	
Smoker	<input type="checkbox"/> Yes <input type="checkbox"/> No
Percentage of contribution to revenue (p.a.)	
Percentage increase in business expenses if unable to work	

Name	
Position, roles, duties, qualifications and skill set (ie what makes this individual a 'key person' to the business)	
Salary	
Date of birth	
Smoker	<input type="checkbox"/> Yes <input type="checkbox"/> No
Percentage of contribution to revenue (p.a.)	
Percentage increase in business expenses if unable to work	



## Key Person Cover – Revenue Purpose Worksheet

### Information about revenue replacement items:

Expected gross revenue reduction on loss of key person (pa)	\$	
Any other impact on business income*	\$	
<b>Subtotal</b>	<b>\$</b>	<b>A</b>
Examples of operating expenses (pa)*		
• Costs required to hire replacement employee	\$	
• Rent and utilities	\$	
• Leasing costs of plant and equipment	\$	
• Interest on business loans	\$	
• Professional services fees	\$	
• Other	\$	
<b>Subtotal</b>	<b>\$</b>	<b>B</b>
<b>Total Key Person – Revenue Purpose cover needed</b>	<b>\$</b>	<b>A + B</b>
Desired amount of Life cover (Revenue Purpose) to be taken out	\$	
Desired amount of TPD cover (Revenue Purpose) to be taken out	\$	
Desired amount of Crisis Recovery cover (Revenue Purpose) to be taken out	\$	

\* Note that business income or expenses may be covered to some extent by Business Expenses insurance, if any exists, and this should be taken into account in calculating required sum insured for Key person - Revenue

## 5. Business Expenses Protection

**Objective of cover:** To ensure that the fixed expenses of the business or practice will still be paid even if an owner cannot work due to injury or sickness.

The owner of the policy is typically the operating entity. Premiums are generally tax deductible and claim proceeds are assessable for income tax purposes.

How many business owners are in full-time employment?

Primary expense contributor 1	
Name	
Position, role and duties	
Smoker	<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of birth	
Percentage of contribution to fixed business expenses	
Percentage responsible for fixed business expenses	

Primary expense contributor 2	
Name	
Position, role and duties	
Smoker	<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of birth	
Percentage of contribution to fixed business expenses	
Percentage responsible for fixed business expenses	

Monthly business expenses	
Accounting fees	\$
Electricity, heating, water, telephone costs	\$
Rent, property rates and taxes	\$
Leasing costs of plant and equipment	\$
Interest on business loans	\$
Business insurance premiums	\$
Salaries and related costs for non-income generating employees	\$
Net costs associated with employing a locum	\$
Other	\$
Total monthly business expenses	\$

How long could the business meet fixed expenses from its own resources before the monthly benefit commences?

14 days  1 month  Other – please state

## 6. Ownership Protection (Buy/Sell Insurance)

**Objective of cover:** To protect the business owners in the event of an unplanned exit and to enable a surviving business owner to acquire the business interest of a departing owner upon an unexpected death or disability.

The policy is usually self-owned but other ownership options are also possible. For self-owned policies, premiums are not tax deductible and claim proceeds are not assessable for income tax purposes. CGT may apply where:

- TPD/Crisis Recovery claim proceeds are paid to someone who is not the life insured or a relative of the life insured, or
- a death or terminal illness claim is paid to someone other than the original owner and some consideration was paid for the policy.

**If the operating structure is a partnership, unit trust or company please detail the information about each respective owner/equity holder.**

	Name (individual/entity)	Date of birth	Smoker, or current health issues?	Estimated current value of business interest (\$)	Type of business interest held (eg shares, units)	Share of business held (%)
1						
2						
3						
4						

### Amount of buy/sell insurance required

	Insured Benefits	Sum Insured	Nominated Beneficiary	Policy Owner
Business Owner 1	<input type="checkbox"/> Death <input type="checkbox"/> TPD <input type="checkbox"/> Crisis Recovery	\$ <input type="text"/> \$ <input type="text"/> \$ <input type="text"/>		
Business Owner 2	<input type="checkbox"/> Death <input type="checkbox"/> TPD <input type="checkbox"/> Crisis Recovery	\$ <input type="text"/> \$ <input type="text"/> \$ <input type="text"/>		
Business Owner 3	<input type="checkbox"/> Death <input type="checkbox"/> TPD <input type="checkbox"/> Crisis Recovery	\$ <input type="text"/> \$ <input type="text"/> \$ <input type="text"/>		
Business Owner 4	<input type="checkbox"/> Death <input type="checkbox"/> TPD <input type="checkbox"/> Crisis Recovery	\$ <input type="text"/> \$ <input type="text"/> \$ <input type="text"/>		

**On what basis was the estimated current value of the business interest determined?**

**Is there an existing succession agreement that addresses the transfer of ownership interests on the death or disablement of any owner?**

Yes  No

If yes, how this funded?

**If no, what will happen to the ownership interest of the departing owner if they unexpectedly passes away or is disabled?**

## Client Acknowledgement and Engagement Authority

### Subject matter

At our meeting, we discussed the goals you are seeking to achieve and the strategy for reaching these goals. As part of the process we discussed your needs, objectives and financial situation and agreed on the following:

### Scope of advice

After identifying the subject matter above we agreed to cover the following areas of advice, as relevant to your circumstances, within an appropriate advice document:

Where the advice is limited, please state reasons for the limitation:

The following matters will not be included as part of the advice document preparation at this time:

I/We request that you provide insurance advice based on the information disclosed and acknowledge that you will rely on the information contained in this document.

I/We acknowledge that if I/we provided any incomplete or inaccurate information that I/we will carefully consider the appropriateness of the advice according to our personal objective, before acting on any advice provided.

I/We acknowledge that you will charge a plan preparation fee of \$  (GST inclusive) for the written advice.

I/We have received a copy of the Financial Services Guide and have read and understood it, including the section titled 'Privacy Statement'.

I/We agree to our adviser collecting, using and disclosing my/our personal information in accordance with the Privacy Policy.

I/We will only provide information about other individuals, such as dependants, spouse/partner, guarantors, if those individuals have agreed that I can share that information with you and I will inform them that I/we have provided information about them and make them aware of the information provided in the Privacy Policy.

Where applicable, the personal and sensitive information you provide to your adviser as part of the pre-assessment process may be disclosed to third parties, including the adviser's business, authorising Australian financial services licensee and insurers participating in this process. It will be handled in accordance with the privacy policy of the adviser and those other entities. Please ensure that the adviser gives copies of the relevant privacy policies to you before you disclose personal or sensitive information as part of this pre-assessment process.

If you decline to provide the required information but you proceed to apply for insurance with a particular insurer, that insurer will conduct its own investigations regarding the information it requires to consider your application and you may be required to provide additional information to the insurer, including, for example, a Personal Statement regarding your medical history and other personal information.

Signature of Client 1	<input type="text" value="X"/>	Date	<input type="text" value="DD/MM/YYYY"/>
Signature of Client 2	<input type="text" value="X"/>	Date	<input type="text" value="DD/MM/YYYY"/>
Signature of Client 3	<input type="text" value="X"/>	Date	<input type="text" value="DD/MM/YYYY"/>
Signature of Client 4	<input type="text" value="X"/>	Date	<input type="text" value="DD/MM/YYYY"/>
Signature of Financial Adviser	<input type="text" value="X"/>	Date	<input type="text" value="DD/MM/YYYY"/>

The following documents have been supplied:

- Insurance policy details/Superannuation statements
- Tax returns
- PAYG summaries
- 'Option to Quote Tax File Number' obtained from your Financial Adviser
- Other documents

Disclaimer