

# 2015

## STAR RATINGS REPORT

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Business  
Life Insurance



# BUSINESS LIFE INSURANCE

February 2015



## Foreword

Of the two million-odd businesses in Australia, the majority are small operations which underpin the various owners' family lifestyles. As such, business owners who fail to protect themselves against risks they have no control over risk exposing their business and family to burdensome debt. This is where business life insurance comes in.

Any number of scenarios can present themselves during the course of running a business so it pays to take a step back and look at how you can improve the financial protection of that business. Safeguarding what you've built up can only happen through proper business risk management and to ensure you are not putting at risk the future continuity and performance of the business, you need to look at putting business life insurance policies in place to cover your individual situation.

At CANSTAR we have researched and rated 31 business life insurance policies across 13 insurers, assessing each on both price and features to determine which policies offer outstanding value for businesses. Our research encompasses Key Person Insurance, Business Partner Insurance and Business Expenses Insurance.

One insurer in particular stood out as offering outstanding value overall, with the other outstanding-value providers in each category. The details are contained in the following pages.



Mitchell Watson,  
Research Manager

# BUSINESS GOING OFF THE BOIL?

The number of actively trading businesses in Australia has been on the decline over the past couple of years. According to the Australian Census, there were 2,079,666 businesses operating as at June 2013. This was a decrease of 61,614, or 2.9%, of businesses from the year before.

There were also more businesses shutting up shop than there were start-up companies. New businesses coming on to the scene decreased by 2.3% - from 13.5% to 11.2% during the 2012-2013 financial year. This is quite a hike, compared to a decrease of only 0.4% in the previous year.

The entry rate (11.2%) of businesses was eclipsed by the exit rate (14.1%), resulting in a decrease in the number of overall



## WHY THE DOWNTURN?

There's no doubt the business environment these days is ever-changing. The widely-fluctuating Australian dollar, demand for goods and services, supply issues, cash flow drought, even a lack of succession planning – all are in the mix contributing towards the natural attrition of businesses. This isn't always a negative thing – very few businesses these days operate exactly as they have done decades ago. Changes in operating conditions are now in the 'certain' bucket with death and taxes.

Rejigging, reshuffling and rethinking business models usually results in better overall risk mitigation and this can only be a good thing for established businesses, as well as start-ups.

## ELIMINATE ADDED HARDSHIP

Dealing with the unexpected is so much easier with a good business life insurance plan in place. It's the back-up that's invaluable when you need it most. For instance, how would you deal with a business partnership dissolving, or a key man or woman being taken out of the picture through accident or even fatality?

Businesses of every size are vulnerable if and when the unexpected happens in the course of operating that business – whether it is a suburban hairdressing salon or a big city law firm. Business life insurance will step in when it is most needed to ensure the business continues to operate and pay its way, even in the most stressful of circumstances.

# WHAT IS BUSINESS LIFE INSURANCE?

Three separate and distinct products – Key Person Insurance, Business Partner Insurance and Business Expenses Insurance – are included under the umbrella of business life insurance.

Here's a brief snapshot of each product.

## **Key Person Insurance**

Key people within your business are valuable assets because of their knowledge and contribution to the profitability of the business. That's why business owners insure them. Key people can be insured for death, trauma and/or total and permanent disablement. The reason for this coverage is either loss of revenue or capital purposes to pay off an existing debt.

## **Who needs it?**

A small business which borrows a sizeable amount of money from the bank on the back of anticipated new trade or tender successes, thanks to one particular specialist employee. If this main person becomes sick and can't work again, how would the business find a replacement person in a hurry to pay back the large debt to the bank. Key Person Insurance would solve this problem.

## **Business Partner Insurance**

This type of cover is generally known in the industry as Buy/Sell Insurance. It kicks in with the untimely death of a business partner. Its purpose is to provide dollar funding to the surviving business partner to buy out the deceased partner's share in the business. This type of insurance provides an easy solution to a potentially complicated situation. Death, trauma and/or total permanent disablement can all be covered

## **Who needs it?**

Anyone in a business partnership should consider the safety net this insurance offers. For instance, if one partner dies prematurely, the business is left in a quandary. The deceased's domestic partner may not have the necessary skills or indeed want to be involved in running the business. To keep the business going, the option is to buy out this person but where do the funds come from? The buy/sell option with the Business Life Insurance policy would provide the funds in this case.

## **Business Expenses Insurance**

Many business expenses are fixed – rent, lease, staff wages etc – so if something happens to the main income earner, it can be a big problem for the continued running of the business.

Business Expenses Insurance is usually only available to businesses with less than five income-producing employees. It's a particularly important type of insurance for small businesses which often can't fill the gap if income is suddenly not being generated. Large business, on the other hand, can usually cope and are not so adversely affected by staff illness or accident.

## **Who needs it?**

A tradesman working solo has an accident on site and can't work for several months. His wife and niece also work in the business doing client liaison and administration, however they are deemed as not income-producing employees. Business Expenses Insurance will pay the tradie's normal business expenses, including office, wages, leases etc. The tradie's personal Income Protection Insurance then covers 75% of his income which may be used to pay his mortgage and home expenses.



# WHAT PREMIUM COSTS TO EXPECT

To give examples of the dollar value you can expect to pay in annual premiums, we used two scenarios:

1. A 35 year old non-smoker in a blue collar occupation such as a qualified motor mechanic,
2. A white collar occupation such as an engineer.

We also looked at the different premiums for males and females.

The premiums for both sexes were within a couple of dollars of each other for Key Person and Business Partner (or Buy/Sell) insurance. However, there was a marked difference in the policy gap for the sexes for Business Expenses insurance. In a blue collar occupation a woman can expect to pay on average \$88 more than her male counterpart. If the same woman switched over to the white collar sector, she would still pay \$40 more than her equivalent male work buddy.

Why? Apart from the obvious risks associated with working with heavy machinery in a hands-on labour job, compared to a relatively sedentary office job, the insurers say it is because of claims history.

Apparently females tend to make significantly more claims than males on Business Expenses policies. The reasons for this are varied but include a higher occurrence of muscular skeletal injuries with a tendency for a longer recovery period. Pregnancy complications plus some typical female cancers that happen at an earlier age than male cancers have also been cited.

Under these circumstances, Business Expenses insurance would kick in and cover payments for three to six months, whereas Key Person and Business Partner Insurance are for different purposes entirely – hence the lack of premium differences between the sexes in these policies.

The other fact that stands out from our research is the chasm between minimum and maximum premiums. In all cases set out below there are hundreds of dollars difference in premiums gaps. Even though these products can only be purchased through a licensed financial advisor, it pays to do your research beforehand so you have a better knowledge base when talking to your advisor.

## BUSINESS EXPENSES INSURANCE - BLUE COLLAR

Occupation	Sex	Age	Premium type	Minimum Premium	Maximum Premium	Average Premium
Motor Vehicle Mechanic - qualified	Male	35	Stepped	\$115	\$265	\$181
Motor Vehicle Mechanic - qualified	Female	35	Stepped	\$170	\$396	\$269

## BUSINESS EXPENSES INSURANCE - WHITE COLLAR

Occupation	Sex	Age	Premium type	Minimum Premium	Maximum Premium	Average Premium
Engineer	Male	35	Stepped	\$49	\$277	\$84
Engineer	Female	35	Stepped	\$70	\$412	\$124

## BUSINESS PARTNER INSURANCE - BLUE COLLAR

Occupation	Sex	Age	Premium type	Minimum Premium	Maximum Premium	Average Premium
Motor Vehicle Mechanic - qualified	Male	35	Stepped	\$111	\$530	\$239
Motor Vehicle Mechanic - qualified	Female	35	Stepped	\$110	\$499	\$241

## BUSINESS PARTNER INSURANCE - WHITE COLLAR

Occupation	Sex	Age	Premium type	Minimum Premium	Maximum Premium	Average Premium
Engineer	Male	35	Stepped	\$102	\$424	\$208
Engineer	Female	35	Stepped	\$99	\$425	\$209

## KEY PERSON INSURANCE - BLUE COLLAR

Occupation	Sex	Age	Premium type	Minimum Premium	Maximum Premium	Average Premium
Motor Vehicle Mechanic - qualified	Male	35	Stepped	\$79	\$356	\$167
Motor Vehicle Mechanic - qualified	Female	35	Stepped	\$78	\$338	\$198

## KEY PERSON INSURANCE - WHITE COLLAR

Occupation	Sex	Age	Premium type	Minimum Premium	Maximum Premium	Average Premium
Engineer	Male	35	Stepped	\$73	\$294	\$145
Engineer	Female	35	Stepped	\$70	\$285	\$146



# Advice is Crucial

The most important element to keep in mind is that Business Life Insurance is part of a strategy. It's not simply a product you can buy off the shelf. A mix of skills is needed to make sure your particular Business Life Insurance provides the exact cover you need because one business is never the same as the next. That's why it is essential to liaise with your licensed financial planner, accountant and solicitor to make sure all bases are covered and there are no nasty surprises waiting at claim time.

## What's best for my business?

CANSTAR's annual Business Life Insurance star ratings compares 31 different policies across 13 different life insurers to determine who offers outstanding value life insurance for businesses. We look at the overall sector comprising Key Person Insurance, Business Partner Insurance and Business Expenses Insurance, as well as drilling down to individual product level.

In addition to assessing each type of cover, CANSTAR measures performance across 40 commonly-used profiles. Products are assessed according to:

- Business size (small and medium-sized businesses)
- Occupation category of insured (white or blue collar)
- Age of insured (young or mature)
- Gender of insured
- Premium type (stepped or level)

Our results indicate which insurers deliver outstanding value to help business owners protect themselves, their families and their businesses from unforeseen and potentially destructive events down the track. Outstanding value for each profile is represented by a combination of price and features that are relevant to that profile.



By conducting this research and rating Business Life Insurance products, CANSTAR aims to help consumers better understand the life insurance suite of products and the benefits they offer. We should stress though that no matter how much we demystify life insurance products, we all have unique circumstances and this means we would obtain the best result by choosing individual, professional advice over the do-it-yourself model. However, the depth of research CANSTAR has done and the insights we can provide will give the consumer much more information and knowledge which will be useful when taking that next step and taking it over with a planner.

# ONEPATH PROVIDES OUTSTANDING VALUE



**Business Life Insurance**



For this year's star ratings, OnePath (ANZ's insurance arm) has triumphed again, making it three years in a row. Winning the CANSTAR award for outstanding value in the overall Business Life Insurance category is a notable achievement and proof of consistency in its product offering

OnePath's strong performance in Business Partner Insurance and Key Person Insurance – the same as last year – cemented its position at the top.



# BUSINESS PARTNER INSURANCE WINNERS



**Business Partner Insurance**



## OnePath

earned 5 stars in 14 of the 16 profiles in the Business partnership profiles. This is based on very competitive pricing with a strong feature score.

OnePath achieved this due to the combination of a superior feature offering at an affordable pricing. Some of the features offered include future underwriting for business, guaranteed future insurability, interim cover for sickness and accident and terminal illness cover.



**Business Partner Insurance**



## MLC

also moved to winning position this year with some competitive pricing strategies that saw an ideal mix of features and price across many profiles, particularly in the younger-age profile.

The features on offer include all the essentials that business owners would be looking for under a competitively-priced Business Partner Insurance

# KEY PERSON INSURANCE WINNERS



**Key Person Insurance**



## OnePath

earned 5 stars in 14 of the 16 profiles in the Key Person Insurance profiles. This is based on reasonable pricing with a strong feature score.

OnePath has achieved the top score across both small and medium business profiles. This is due to their outstanding offering for professionals across both age groups in medium-sized businesses, blue collar workers in both age groups in medium-sized businesses, professionals in the young age group for small businesses, and blue collar workers in the young age group for small businesses.



**Key Person Insurance**



## Zurich

Zurich Australia has achieved nine five star-rated products and represents particularly good value for blue-collar professions. They were a standout performer in the organ conditions category of trauma, with a solid policy across the board.

# BUSINESS EXPENSES INSURANCE WINNERS



Business Expenses Insurance



**Asteron Life** (part of Suncorp Group) has taken out the Business Expenses Insurance award for the second time. Its standout product achieved a 5 star rating in all profiles we looked at.

Asteron Life provides outstanding value across all business expense profiles and they have been able to achieve this due to their superior feature offering. The product offers disability cover for total and partial disablement, specified injury cover, elective surgery cover, interim cover for accident and sickness and offers various benefit period/ waiting periods.



Business Expenses Insurance



**ClearView** has also snagged the Business Expenses Insurance award, with five stars across every occupation, age, gender and business size category assessed – a very impressive feat.

Clearview have been able to achieve this due to some very competitive pricing for budget-conscious business owners, offered in conjunction with a reasonable level of features.

## How to use Canstar star ratings

CANSTAR has done extensive research work so you can look up 5-star products for the Business Life Insurance products you are interested in. Our star-ratings report allows you to drill down by:

- Occupational category: White Collar (professional) or Blue Collar (manual)
- Premium: Stepped or Level
- Gender: Male or Female
- Cover type: Key Person, Business Partner or Business Expenses
- Business size: Small or Medium

Researching suitable insurance cover will arm you with more in-depth knowledge on the subject of business life insurance and the suite of products that are designed to protect the ongoing interests of individual business operations. You will then be better prepared when you talk to a licensed financial planner.

For more information on how we conduct this research, read our methodology on the business life insurance page at [www.canstar.com.au](http://www.canstar.com.au)

# BUSINESS LIFE INSURANCE STAR RATING METHODOLOGY



## What are the CANSTAR business life insurance star ratings?

CANSTAR business life insurance star ratings are a sophisticated rating methodology, unique to CANSTAR, which compare the dominant business life insurance products in Australia and present the results in a simple, user-friendly format.

The results are reflected in a consumer-friendly 5-star concept with 5 stars denoting outstanding value to the consumer.

## What are the Profiles used by CANSTAR?

CANSTAR has adopted commonly-used profiles in an attempt to cover the majority of business situations.

### Occupation Category

Professional

Blue Collar

### Premium

Stepped

Level

### Gender

Male

Female

### Cover type

Key Person

Business Partnership

Business Expense for small business only

### Business Size

Small Business

Medium Business

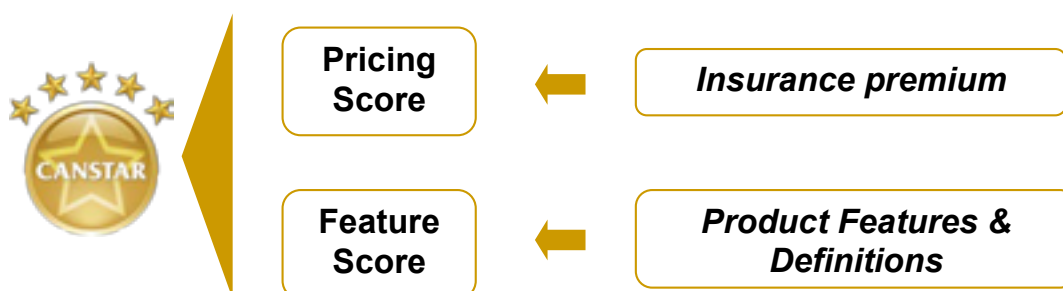
### Age

Young (30-44 yrs)

Mature (45-54 yrs)

The *business life insurance* star ratings consist of 3 cover types as shown on above chart. The rating process for each of these cover types employs a separate star ratings methodology consistent with the pricing and features model of the CANSTAR star ratings.

$$\text{TOTAL STAR RATINGS SCORE} = \text{PRICING SCORE} + \text{FEATURES SCORE}$$



Star Ratings Weights		
	Price	Features
<b>Small Business</b>		
Key Person	50%	50%
Business Partnership	50%	50%
Business Expenses	50%	50%
<b>Medium Business</b>		
Key Person	50%	50%
Business Partnership	50%	50%

## PRICING SCORE

The insurance premium for risk is used as the main point of cost comparison. Peer products are compared and the product with the lowest cost is awarded the highest pricing score and all other peer products are awarded a relative score in comparison to the lowest cost product.

Sum Insured – Small Business				
Cover Type	Term	Trauma	TPD	Business Expenses
<b>Key Person</b>	\$250k/\$500k/\$750k	\$250k/\$500k/\$750k	\$250k/\$500k/\$750k	N/A
<b>Business Partnership</b>	\$250k/\$750k/\$1.25m	\$250k/\$750k/\$1.25m	\$250k/\$750k/\$1.25m	N/A
<b>Business Expenses</b>	N/A	N/A	N/A	\$5k/\$10k/\$20k

Sum Insured – Medium Business			
Cover Type	Term	Trauma	TPD
<b>Key Person</b>	\$500k/\$1m/\$2m	\$500k/\$500K/\$1m	\$500k/\$1m/\$2m
<b>Business Partnership</b>	\$1m/\$2m/\$3m	\$1m/\$1.5m/\$2m	\$1m/\$2m/\$3m

## FEATURE SCORE

CANSTAR business life insurance star ratings assessed over 50,000 benefits and options across different products. Below is how CANSTAR weighted these benefits and options:

Key Person - FEATURE WEIGHTS			
Category	Male	Female	Descriptions
<b>Death Policy Benefits and Options</b>	<b>20%</b>	<b>20%</b>	
GFI	35%	35%	captures if the policy offers GFI benefit e.g. no of events etc.
Future Underwriting	50%	50%	captures if the policy offers business future underwriting benefit
Terminal Illness	5%	5%	captures terminal illness definition and max benefit age etc.
Needle Stick	5%	5%	captures if the policy offers needle stick benefit
Waiver of premium	5%	5%	captures waiver of premiums on disability
<b>Policy Terms</b>	<b>5%</b>	<b>5%</b>	
Coverage Terms	45%	45%	captures coverage range e.g. entry & expiry age
Premiums	45%	45%	captures the premiums options e.g. stepped, level, hybrid
Other	10%	10%	captures if the policy can be accident only
<b>Standard Company Terms offered</b>	<b>5%</b>	<b>5%</b>	
CPI	25%	25%	captures the indexation benefits e.g. dollar cap, max age
Exclusions	40%	40%	captures what is excluded at time of claim e.g. suicide, preexisting conditions
Interim Cover	25%	25%	captures interim cover and period covered
Product Upgrade	5%	5%	captures whether a policy holder can be disadvantaged by an upgrade
Loyalty Bonus	5%	5%	captures if the policy provides any loyalty bonus
<b>TPD Definition Attached to Term</b>	<b>25%</b>	<b>25%</b>	
TPD Own	75%	75%	total and permanent disability based on own occupation
TPD Definition Restrictions	5%	5%	restrictions on total and permanent disability e.g. survival period
TPD Day 1	5%	5%	total and permanent disability claim from day 1
TPD Business Purposes	15%	15%	total and permanent disability based on business purposes
<b>TPD Policy Parameters as a Rider to Term</b>	<b>5%</b>	<b>5%</b>	
Coverage Terms	25%	25%	captures coverage range e.g. entry & expiry age
Death Buy Back	25%	25%	captures ability to buy back life cover after a TPD claim
TPD Buy Back	25%	25%	captures ability to buy back TPD cover after a Trauma claim
Double TPD	25%	25%	captures ability to reinstate life cover after a TPD claim
<b>Trauma Attached to Term</b>	<b>35%</b>	<b>35%</b>	
<b>Cancer</b>	<b>30%</b>	<b>45%</b>	captures trauma definitions for cancer
Cancer - Female	0%	5%	captures trauma definitions for female cancer e.g. ovarian cancer
Cancer - Male	20%	0%	captures trauma definitions for male cancer e.g. prostate cancer
Cancer - Melanoma	15%	15%	captures trauma definitions for melanoma cancer
Cancer - Breast	5%	45%	captures trauma definitions for breast cancer
Cancer - Other	60%	35%	captures trauma definitions for other cancer e.g. benign tumors
<b>Heart</b>	<b>30%</b>	<b>20%</b>	captures trauma definitions for coronary related conditions
Heart Attack	25%	25%	captures trauma definitions for heart attack
Heart Angioplasty	15%	15%	captures trauma definitions for coronary artery angioplasty
Coronary By-Pass Surgery	25%	25%	captures trauma definitions for coronary by-pass surgery
Heart Triple Vessel	15%	15%	captures trauma definitions for triple vessel angioplasty
Heart Other	20%	20%	captures trauma definitions for other coronary related conditions e.g. cardiomyopathy
<b>Stroke</b>	<b>15%</b>	<b>10%</b>	captures trauma definitions for stroke
<b>Nervous System</b>	<b>10%</b>	<b>10%</b>	captures trauma definitions for nervous system e.g. parkinson's disease
<b>Other</b>	<b>15%</b>	<b>15%</b>	captures trauma definitions for other trauma events e.g. blindness, HIV
<b>Trauma Attached to Term – Benefits &amp; Options</b>	<b>5%</b>	<b>5%</b>	<b>Trauma benefits and options</b>
Trauma Reinstatement	50%	50%	captures ability to reinstate trauma after a trauma claim
Double Trauma	5%	5%	captures ability to reinstate life cover after a trauma claim
Trauma Qualifying Period	10%	10%	captures whether qualifying period starts as at application date or policy issuance date
Death Buy Back	5%	5%	captures ability to buy back life cover after a Trauma claim
Guaranteed Renewable	30%	30%	policy is guaranteed to be renewed as long as their premiums are paid

## Business Partnership - FEATURE WEIGHTS

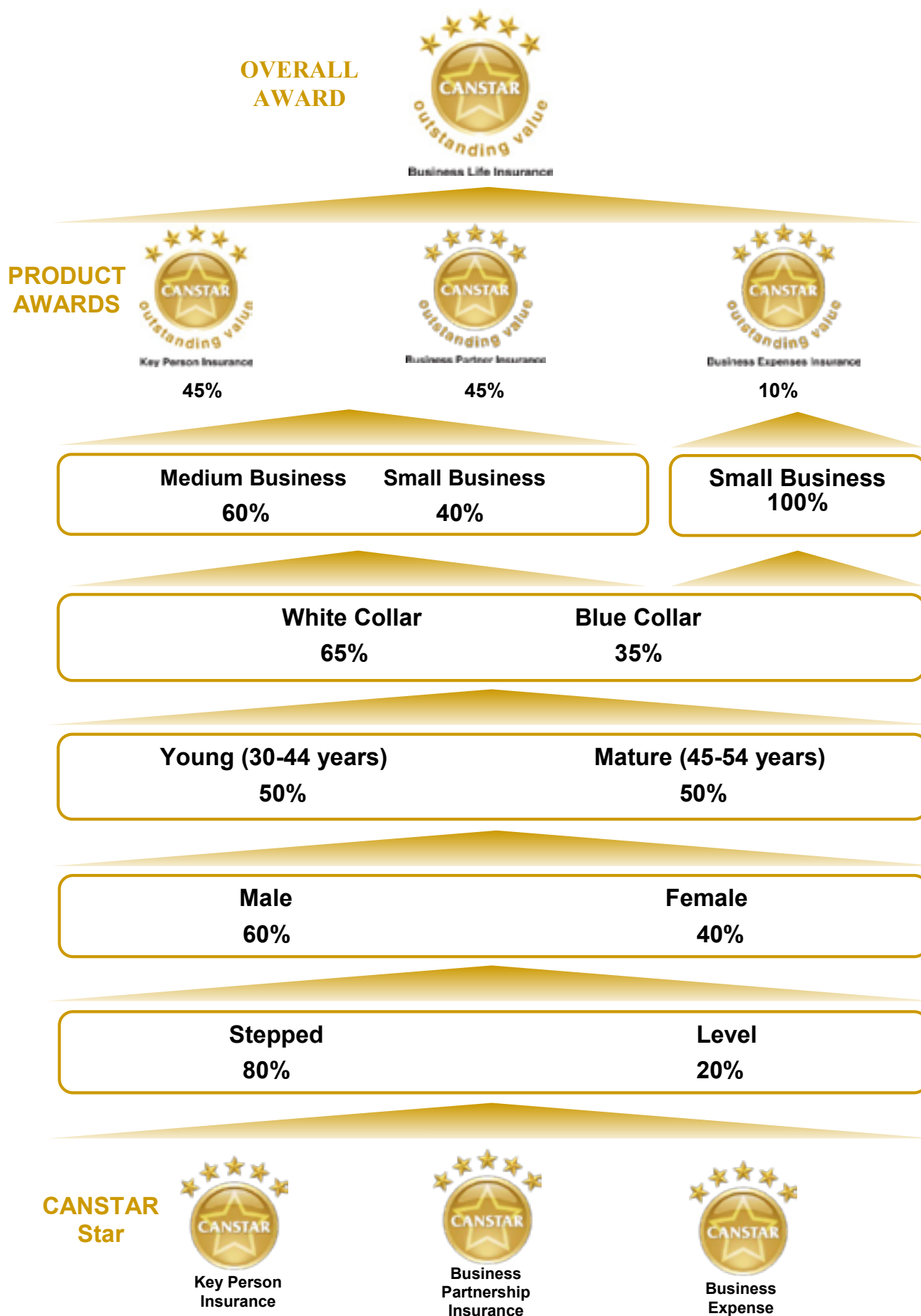
Category	Male	Female	Descriptions
<b>Death Policy Benefits and Options</b>	<b>25%</b>	<b>25%</b>	
GFI	35%	35%	captures if the policy offers GFI benefit e.g. no of events etc.
Future Underwriting	50%	50%	captures if the policy offers business future underwriting benefit
Terminal Illness	5%	5%	captures terminal illness definition and max benefit age etc.
Needle Stick	5%	5%	captures if the policy offers needle stick benefit
Waiver of premium	5%	5%	captures waiver of premiums on disability
<b>Policy Terms</b>	<b>5%</b>	<b>5%</b>	
Coverage Terms	45%	45%	captures coverage range e.g. entry & expiry age
Premiums	45%	45%	captures the premiums options e.g. stepped, level, hybrid
Other	10%	10%	captures if the policy can be accident only
<b>Standard Company Terms offered</b>	<b>5%</b>	<b>5%</b>	
CPI	25%	25%	captures the indexation benefits e.g. dollar cap, max age
Exclusions	40%	40%	captures what is excluded at time of claim e.g. suicide, preexisting conditions
Interim Cover	25%	25%	captures interim cover and period covered
Product Upgrade	5%	5%	captures the product upgrades applicable to existing and new customers
Loyalty Bonus	5%	5%	captures if the policy provides any loyalty bonus
<b>TPD Definition Attached to Term</b>	<b>30%</b>	<b>30%</b>	
TPD Own	75%	75%	total and permanent disability based on own occupation
TPD Definition Restrictions	5%	5%	restrictions on total and permanent disability e.g. survival period
TPD Day 1	5%	5%	total and permanent disability claim from day 1
TPD Business Purposes	15%	15%	total and permanent disability based on business purposes
<b>Trauma Attached to Term</b>	<b>35%</b>	<b>35%</b>	
<b>Cancer</b>	<b>30%</b>	<b>45%</b>	captures trauma definitions for cancer
Cancer - Female	0%	5%	captures trauma definitions for female cancer e.g. ovarian cancer
Cancer - Male	20%	0%	captures trauma definitions for male cancer e.g. prostate cancer
Cancer - Melanoma	15%	15%	captures trauma definitions for melanoma cancer
Cancer - Breast	5%	45%	captures trauma definitions for breast cancer
Cancer - Other	60%	35%	captures trauma definitions for other cancer e.g. benign tumors
<b>Heart</b>	<b>30%</b>	<b>20%</b>	captures trauma definitions for coronary related conditions
Heart Attack	25%	25%	captures trauma definitions for heart attack
Heart Angioplasty	15%	15%	captures trauma definitions for coronary artery angioplasty
Coronary By-Pass Surgery	25%	25%	captures trauma definitions for coronary by-pass surgery
Heart Triple Vessel	15%	15%	captures trauma definitions for triple vessel angioplasty
Heart Other	20%	20%	captures trauma definitions for other coronary related conditions e.g. cardiomyopathy
<b>Stroke</b>	<b>15%</b>	<b>10%</b>	captures trauma definitions for stroke
<b>Nervous System</b>	<b>10%</b>	<b>10%</b>	captures trauma definitions for nervous system e.g. parkinson's disease
<b>Other</b>	<b>15%</b>	<b>15%</b>	captures trauma definitions for other trauma events e.g. blindness, HIV

## Business Expenses - FEATURE WEIGHTS

Category	Weight	Descriptions
<b>Policy Benefits &amp; Options</b>	<b>70%</b>	
Disability definitions - Total	20%	captures the benefits offered by the policy at time of total disability
Disability definitions - Partial	20%	captures the benefits offered by the policy at time of partial disability
Specified injury	35%	captures the benefits offered by the policy for specified injury
Guarantee Future Insurability	10%	captures if the policy allows the life insured to increase monthly benefit without health evidence
Others	15%	captures the other benefits - family care benefit, death benefit, cash flow benefit, depreciation etc.
<b>Policy Terms</b>	<b>15%</b>	
Entry/Expiry Age	5%	captures coverage range e.g. entry & expiry age
Sum Insured	5%	captures if sum insured restrictions applies
Premium Type	5%	captures the premiums options e.g. stepped, level, hybrid
Indexation	30%	captures the indexation benefits e.g. dollar cap, max age
Waiting periods	10%	captures the various waiting periods offered by the policy
Benefit periods	10%	captures the various benefit periods offered by the policy
Benefit Type - Agreed	10%	captures the ability to purchase agreed value cover
Benefit Type - Guaranteed Agreed Value	15%	captures the ability to purchase guaranteed agreed value cover
Benefit Type - Indemnity	10%	captures the ability to purchase indemnity cover
<b>Standard Company Terms</b>	<b>15%</b>	
Product upgrades	5%	captures the product upgrades applicable to existing and new customers
Exclusions	60%	captures what is excluded at time of claim e.g. attempted suicide, HIV
Interim cover	35%	captures interim cover and period covered

## How are the CANSTAR Business Life Insurance Awards calculated?

The overall awards are calculated based on the individual Star Ratings following the methodology below.



## How many products and financial institutions are analysed?

In order to calculate the ratings, CANSTAR analysed 13 business life insurance companies in Australia offering 30 key person/business partnership policies and 15 business expenses policies.

## How are the stars awarded?

Scores are awarded to each product on the basis of price (premiums) and features (Benefits & Options). The total score received for each profile ranks the products. The stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the CANSTAR 5-star rating

The results are reflected in a consumer-friendly CANSTAR star rating concept, with five stars denoting outstanding value.

## How often are CANSTAR *business life insurance* star ratings re-rated?

All ratings are fully recalculated every 12 months based on the latest pricing and features offered by each insurer.

## Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



- |                           |                         |                        |
|---------------------------|-------------------------|------------------------|
| • Account based pensions  | • Agribusiness          | • Business banking     |
| • Business life insurance | • Car insurance         | • Credit cards         |
| • Deposit accounts        | • Direct life insurance | • First home buyer     |
| • Health insurance        | • Home & contents       | • Home loans           |
| • Landlord insurance      | • Life insurance        | • Managed investments  |
| • Margin lending          | • Online banking        | • Online share trading |
| • Package Home Loan       | • Personal loans        | • Pet insurance        |
| • Reward programs         | • Superannuation        | • Term deposits        |
| • Travel insurance        | • Travel money cards    | • Youth banking        |

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