



Essential Insurances

The correct insurance cover is essential

Example

John & Julie own JJ Plumbing, once again they income split 50 / 50 their liable earnings for last year were \$120,000 so the split was \$60k each

The annual ACC invoice on \$60,000 for a Plumber is \$2,594 each and if on ACC Standard Cover you would receive 80% = \$48,000 (if you can prove a loss.)

In some cases one of the Shareholders may not be directly involved in any "hands on" plumbing, such as one of them taking care of administration type duties.

If Cover plus Extra is applied for, there is the flexibility to lower your ACC, for example Plumbing would cost (\$3.31 per \$100) = \$2,594 or Office Administration (\$0.28c per \$100) = \$1,683.

The office administration cost for ACC at \$60,000 would be \$1,683 you would receive 100% (less tax) and not have to prove a loss. The payments would be made from ACC until you were back at work full time.

But wait there's more

Depending on circumstances if we took the office administration to the current minimum (\$21,632) instead of the \$60,000 the ACC cost would be \$706. ***We strongly recommend your private insurance is in place before any reductions are made via ACC.**

John	\$60,000	Plumbing Services	\$2,594
Julie	\$60,000	Plumbing Services	\$2,594
			Total ACC = \$5,188

John	\$60,000	Plumbing Services	\$2,594
Julie	\$21,632	Office Administration	\$706
			Total ACC = \$3,300

This scenario gives certainty to Julie, she does not have to prove a loss and can return to work whilst receiving 100% of her agreed compensation (less tax).