



Business Protection

Many businesses know they need to protect the likes of premises, stock, equipment & data, but protecting business owners and key employees is just as crucial. There are many options for protecting those key individuals within a business, meaning the profitability and day-to-day functioning will not be impacted in the event of death or illness. These policies debit directly from the business, so advice should be sought regarding the tax position of the premiums.

Key Person Insurance

This policy is on the life of a key individual within the business, who can be a shareholder or employee, and will pay a lump sum in the event of death or sickness. Financial consequences stem not only from the loss of that individual's contribution, but also costs of sourcing and onboarding a replacement. Protecting against the loss of such a crucial member of a business is essential to a company's plan.

Shareholder Protection

When a business has two or more shareholders, the death of one of these can have substantial effects on the remaining owners. The shares are usually passed to family members, who will then need compensating for the company to buy the shares back. Shareholder protection will ensure that there are funds reserved for this event.

Loan Protection

With majority of business loans requiring a personal guarantee (PG), any borrowing in a business ultimately falls on the individual behind the business. Losing a key member of a business may result in financial difficulty, meaning the lender will come to the guarantor or their estate for repayment. This policy ensures debts within a business are repaid in this event and are paid directly to the lender.

Relevant Life Insurance

This acts as a death in service policy between employer and employee. It is generally tax advantageous for the employer, and can be used for directors/shareholder as well as employees. All relevant life policies must be written into trust, as the proceeds are for the benefit of the employee's beneficiaries, not the business.

Group Policies

These can be arranged for life insurance, income protection insurance, critical illness cover and private medical insurance. These can be cost advantageous as opposed to individual policies as risk is spread across the group. In a lot of cases, medical underwriting is not required. Majority of providers will expect at least 5 employees for this type of cover.

