

Business Protection

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**'Ownership' Share/
Partnership
Protection**

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**Key Person
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**Loan
Cover**

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**Relevant
Life Cover**

'Ownership' Share/Partnership Protection:

Provides cover for the death or critical illness of a shareholder/business partner. Ensures business continuity by providing funds available to the remaining shareholders/partners to enable them to purchase the deceased or critically ill shareholder/partner's share of the business. What would happen if one of the stakeholders in your firm died? Would the remaining stakeholders have enough funds to buy out the deceased's share from their estate? If not, how would they go about raising those funds, and if so, what effect would this have? Would they want the deceased's beneficiary to become involved in the business? Would the beneficiary seek to sell the shares of the business elsewhere to raise funds?

Key Person Protection:

Provides cover for the death or critical illness of a shareholder/business partner. Pays out a lump sum to the business to cover the disruption to the business of losing that shareholder/business partner's contribution.

What would happen if your top salesperson/engineer/technical manager etc. was to die or suffer a critical illness? What impact would that have on business revenue? Would the business have enough funds to survive until a replacement was found? Would the business need an injection of cash to fund the search for a replacement?

Loan Cover:

If your company needs a loan, it is likely it would not have the funds to repay the loan in the event of the death of a shareholder or key staff member. The company could be compromised if the loan repayment agreement cannot continue to be met.

Loan cover can be set up to provide funds to repay a business loan in the event of the death or critical illness of a business owner/director.

Relevant Life Cover:

A relevant life plan is a death-in-service plan set up and paid for by an employer. These plans are covered by the same legislation that deals with group schemes. However, unlike most schemes provided by large employers, they don't fall under pensions legislation because they are 'non-registered'.

The Relevant Life plan covers an individual in the event of death. The benefits are paid to the deceased's nominated beneficiaries via a Trust.

The premiums are funded by the company but do not create a P11d benefit tax liability for the life assured.

There are lots of good reasons to choose a relevant life plan. But it all boils down to tax-efficient life cover for directors and employees.

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