The risks are real
A company owned by three shareholders/partners (referred to as partners for the purpose of this text) comprised of two males and one female, all aged 40, has a substantial risk of losing someone important. For example;

- there is a 37% chance one of the business owners will be diagnosed with a serious illness before retirement
- there is a 19% chance that one of the business owners will pass away before retirement

These truly frightening statistics demonstrate why business protection is so important to ensure the stability of companies like yours.

What could go wrong?
- if the deceased's family decide to sell their shares, the remaining partners could have difficulty raising the finance to buy them out
- disagreements over the terms of a sale could lead to further difficulties and conflict
- if the shares are sold on the open market, a new shareholder could potentially take control of the day-to-day running of the business. This new owner could be an unsuitable fit for the business
- uncertainty over ownership may cause banks and investors to restructure or cancel funding

Why is business protection important, whether you trade as a limited company or a partnership?
Protecting your owners should be an integral part of any business plan. You probably already protect many of the important things that aid the running of your business, therefore it should make sense to insure your most valuable assets; your business owners.

Looking forward
Although you cannot predict the future, business protection can give you and your business the breathing space needed during a time of potential instability and uncertainty.

How it works?
Business protection is life insurance taken out on the life of the partners of the business. It can also includes critical illness cover, which will pay out a lump sum if the person is diagnosed with a specific illness or injury. In the event of a claim, the proceeds from the policy give the remaining partners the money needed to buy the shares, helping to retain the business.

What are the risks?
The death of an owner can be detrimental to the long-term survival of a business. The loss could have an extensive impact on the day-to-day running of the company, and could result in a number of financial difficulties.
For further information and a free consultation please contact:

**Aylsham:** Lovewell Blake LLP, 1a and 1b Cawston Road, Aylsham NR11 6BX  
t: 01263 732151

**Thetford:** Lovewell Blake LLP, The Gables, Old Market Street, Thetford IP24 2EN  
t: 01842 755032

**Bury St Edmunds:** Lovewell Blake LLP, First Floor Suite, 2 Hillside Business Park, Bury St Edmunds IP32 7EA  
t: 01284 337070

**www.lovewell-blake.co.uk**

**Ely:** Lovewell Blake LLP, 11 Lynn Road, Ely CB7 4EG  
t: 01353 662447

**Great Yarmouth:** Lovewell Blake LLP, Sixty Six, North Quay, Great Yarmouth NR30 1HE  
t: 01493 335100

**Halesworth:** Lovewell Blake LLP, The Wherry, Quay Street, Halesworth IP19 8ET  
t: 01986 873163

**Lowestoft:** Lovewell Blake LLP, Excelsior House, 9 Quay View Business Park, Barnards Way, Lowestoft NR32 2HD  
t: 01502 563921

**Norwich:** Lovewell Blake LLP, Bankside 300, Peachman Way, Broadland Business Park, Norwich NR7 0LB  
t: 01603 663300

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