Protect your most important business asset:
Your business owners

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.
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