

Business Protection

Keep your business secure, whatever happens.



What Is Business Protection?

Business Protection is a financial safety net that helps your company stay resilient if a key person, such as an owner, director, or essential employee, dies or becomes critically ill. It can cover outstanding loans, safeguard against lost revenue, and enable the smooth transfer of ownership, helping you manage life's disruptions without risking your profits or business continuity. The risks are real: 52% of UK businesses say they would stop trading within a year if a key person died or became critically ill.

Why Use Business Protection?

Running a business means planning for growth and preparing for the unexpected.

What would happen if a founder, director, or top performer could no longer work? Whether due to illness, injury, or death, losing a key individual can severely disrupt operations, affect client confidence, and lead to significant financial strain.

Ensure That You:

- ✓ Stay financially secure - avoid sudden costs or cash flow issues.
- ✓ Continue business as usual - minimise disruption to customers and staff.
- ✓ Protect your ownership and legacy - maintain control of your business.
- ✓ Avoid personal financial exposure - prevent the need to use savings, reserves, or personal funds.

It's about more than protection; it's about resilience, planning, and peace of mind.



What Are The Benefits of Business Protection?

Business Protection helps you manage risk and stay resilient when illness or death affects key people. The right cover can be the difference between surviving a crisis and facing tough financial decisions.

Business Protection can:

- Cover loans, salaries, and running costs during disruptions.
- Keep your business operating smoothly if key individuals are lost.
- Support ownership transitions, like buying out a partner's share.
- Offer potential tax benefits, depending on the policy.
- Reassure staff, clients, and investors that you're prepared.

What Types Of Business Protection Do We Offer?

We offer a full suite of business protection products, working with leading insurers to get you the best prices and policies that truly fit your needs.

We offer:

- Key Person Insurance
- Executive Income Protection
- Relevant Life Cover
- Business Loan Cover
- Share & Partnership Protection

Key Person Insurance

Protect your business from the loss of its most valuable people.

What Is Key Person Insurance?

Key Person Insurance protects your business if a vital employee dies or becomes critically ill. It covers individuals whose skills, leadership, or client relationships are essential to your success.

For many SMEs, losing a key person can mean lost income, delays, and serious disruption. This cover helps safeguard your operations and long-term growth.

Who Counts As A Key Person?

A key person is anyone whose absence would significantly affect business operations or profits. This might include:

- ✓ A Sales Director who secures major contracts and drives revenue.
- ✓ A Managing Director who oversees business strategy and leadership.
- ✓ An IT Specialist who maintains critical systems.
- ✓ A Head of Product Development or R&D expert driving innovation.
- ✓ Skilled Technicians or Operational Leads who are essential to delivery.



What Does Key Person Insurance Cover?

The policy provides a financial cushion for the business if a key individual dies or is diagnosed with a critical illness. It's designed to cover:

- Loss of revenue or profits.
- Increased workload on other staff.
- Recruitment and training costs for a replacement.
- Delays to major projects or product development.

You might also want to consider Executive Income Protection, which provides an ongoing income stream if a key person is off work due to long-term illness or injury, helping bridge the financial gap during their absence.



How Does It Work?

1. The business owns and pays for the policy.
2. If the insured individual dies or becomes critically ill, the payout goes to the business.
3. Funds can be used however the business chooses; typically to protect income, repay debts, or hire and train replacements.
4. In partnerships, the policy is usually written on an own-life basis and held in trust for other partners.



Benefits Of Key Person Insurance

- Maintains business continuity during disruption.
- Provides a vital injection of cash when it's needed most.
- Helps cover the cost of replacing key talent.
- Offers reassurance to investors, staff, and clients.

Executive Income Protection

Support your business and your key people through long-term illness or injury.

What Is Executive Income Protection?

Executive Income Protection is a policy that ensures your business can continue supporting a key employee's income if they're unable to work due to illness or injury. Rather than draining your company's cash flow, the policy pays a monthly benefit, helping cover their salary and associated costs while they recover.

Who Is It For?

It's particularly useful for high-earning or difficult-to-replace individuals, where the cost of absence can hit both productivity and morale hard.

Ideal candidates include:

- Senior leaders and board-level executives.
- Specialist professionals with niche knowledge or high responsibility.
- Revenue-generating staff whose sudden incapacitation could affect business income.
- Technical or compliance-critical roles that cannot be easily replaced.



Why Is Executive Income Protection Important?

A prolonged absence can mean paying two salaries - one for your absent employee and another for their temporary replacement. It can also cause team disruption and stress if you're unable to offer income stability.

With Executive Income Protection, you can:

- Support staff financially during recovery.
- Avoid unexpected payroll pressure.
- Retain valued employees and safeguard morale.

How Does It Work?

1. The policy is owned by the business and set up on a 'life of another' basis.
2. It pays a monthly benefit of up to 75% of the employee's gross salary.
3. The benefit can also include pension

contributions and employer National Insurance.

4. Payments are made to the business and then passed to the employee via PAYE.

Benefits Of Executive Income Protection

- Protects your cash flow while supporting employees.
- Ensures continuity of income for high-value team members.
- Improves retention and engagement by showing employee care.
- Flexible cover options, including a choice of deferred periods.

Relevant Life Cover

Tax-efficient life insurance for employees and directors - without the need for a group scheme.

What Is Relevant Life Cover?

Relevant Life Cover is a tax-efficient way for employers to provide death-in-service benefits to individual employees or directors. Ideal for small businesses or high earners, it offers a tax-free lump sum to the employee's family if they die or are diagnosed with a terminal illness, without impacting their pension lifetime or annual allowance.

Who Is It For?

Relevant Life Cover is well-suited for:

- ✓ SMEs or start-ups without a group life policy in place.
- ✓ High-earning employees or directors close to breaching pension thresholds.
- ✓ Business owners who want to offer personalised, tax-smart employee benefits.
- ✓ Companies looking to enhance retention with non-salary perks.



Why Use Relevant Life Cover?

This policy allows you to offer a valuable life benefit, without increasing your payroll tax burden or your employees' personal tax liabilities. It also demonstrates care and forward-thinking to your staff and their families.



How Does It Work?

1. The employer sets up and pays for the policy.
2. It is written into a discretionary trust for the employee's chosen beneficiaries.
3. If the insured person dies or is diagnosed with a terminal illness, a tax-free lump sum is paid to their family.
4. There is no impact on pension allowances, making it attractive for higher earners.



Benefits Of Relevant Life Cover

For the Employer:

- Eligible for corporation tax relief if premiums are wholly for business purposes.
- No employer National Insurance contributions required.
- Supports staff retention and recruitment by enhancing your benefits offering.

For the Employee:

- No income tax or NI on the premiums or payout.
- Doesn't count toward annual or lifetime pension allowances.
- Provides financial security for loved ones without affecting take-home pay.



Eligibility Criteria

- Available to UK employees and salaried directors under the age of 75.
- Not available to sole traders or partnerships without incorporated status.
- The employee must be a UK resident and on PAYE.

Business Loan Cover

Make sure your business can repay loans, no matter what happens.

What is Business Loan Cover?

Business Loan Cover is designed to repay outstanding business loans if a key person, such as a director, partner, or guarantor, dies or is diagnosed with a critical illness.

It acts as a financial safety net, helping your business avoid disruption, emergency borrowing, or even liquidation. Whether you've borrowed to grow, invest, or manage cash flow, this cover ensures that debt won't threaten your long-term success.



Who Is It For?

This cover is essential for businesses with financial commitments linked to specific individuals. It's especially useful for:

- Limited companies and partnerships with active commercial loans.
- Directors or owners who've made personal guarantees.
- Businesses with director loans that must be repaid to an estate upon death.
- Companies seeking investor or lender reassurance.

What Types Of Loans Can Be Covered?

Business Loan Cover can apply to a wide range of financial agreements, including:

- Bank loans - commercial borrowing for growth or operations.
- Director or shareholder loans - repayable to the individual's estate.
- Overdrafts or credit lines - where repayment may be personally guaranteed.
- Private investor or venture capital loans - tied to individual responsibilities.

How Does It Work?

- The policy is taken out by the business or individual, depending on who is responsible for the loan.
- It is tailored to match the loan's value and repayment term.
- If the insured person dies or is diagnosed with a critical illness, a lump sum is paid out.
- The funds are used to settle the outstanding loan and protect the business from financial stress.

Benefits Of Business Loan Cover

- Ensures business continuity by clearing outstanding debts.
- Provides lenders with peace of mind.
- Avoids emergency borrowing or fire-sale of assets.
- Maintains your company's financial stability during unexpected loss.

Share & Partnership Protection

Keep your business in trusted hands when ownership suddenly changes.

What Is Share & Partnership Protection?

If a business owner, shareholder, or partner dies or becomes critically ill, their share may pass to others, potentially causing disputes or loss of control.

Share & Partnership Protection provides the funds for remaining owners to buy out the stake, keeping control within the business and securing its future.

Who Is It For?

This cover is essential for any business with multiple owners, including:

- ✓ Limited companies with multiple shareholders.
- ✓ Partnerships and LLPs where ownership is divided between key individuals.
- ✓ Owner-managed or family-run businesses with succession plans in place.
- ✓ Businesses with outstanding director or owner loans tied to individuals.



Types Of Cover

The right protection depends on your business structure:

Share Protection

For limited companies, this provides a lump sum if a shareholder dies or becomes critically ill, allowing surviving shareholders to buy back their share and keep control within the business.

Partnership Protection

For partnerships and LLPs, this cover ensures remaining partners can buy out a deceased or critically ill partner's share, fairly compensating their family and avoiding disputes or inactive ownership.



How Does It Work?

1. Each business owner is covered by a life or critical illness insurance policy.

2. Legal agreements are put in place to outline how ownership will be valued and transferred.
3. When an owner dies or becomes critically ill, the policy pays out a lump sum.
4. The remaining owners use this payout to buy the departing owner's share from their estate or family.



Benefits Of Share & Partnership Protection

- Keeps your business stable during sudden change.
- Reassures investors, staff, and clients of business resilience.
- Offers financial security to a departing owner's family.
- Forms part of a long-term succession or exit plan.

Ready to Protect Your Business?

Our friendly, experienced consultants are here to guide you every step of the way. We search the whole market so you don't have to, and find the best deals tailored to your business needs.

0330 333 9100

information@bravobenefits.co.uk

www.bravobenefits.co.uk