



Business Life Assurance Factsheet

What business protection is available?

There are various protection policies available that can cover different risks within a business. What most business owners and directors fail to consider is the true value of their employees and in the event that they were unable to work or suddenly pass away the impact this would have on a business. Another scenario that employees fail to consider is in the event that a shareholder passes away, what happens with the shares and how this impacts the remaining shareholders. This could have a devastating effect on smaller firms.

What does Keyman insurance protect?

As the name suggests Keyman insurance is used to cover the key employees in the business. These tend to be the people that the business rely on whether that's for their sales ability, managerial qualities or even industry skills. The protection covers the business to recover any loss in profits, additional expenses or to replace the employee in the event that they were unable to work.

What does Shareholder protection cover?

Shareholder protection is designed to cover companies with multiple shareholders. Most businesses fail to consider what happens in the event that a shareholder dies. Do the shares revert back to the company or form part of the deceased's estate? Is the new beneficiary of the shares entitled to a split of the profits despite not working for the company? Are the deceased's family remunerated for the recently deceased's equity in the company?

A cross option or shareholder agreement is often used to dictate what would happen with the shares in the event of death and shareholder protection is put in place to either remunerate the deceased's family or provide the company / remaining shareholders with enough capital to purchase the shares. This allows the business to continue trading and for the remaining shareholders to retain full control of the company.

Want to learn more?

Our corporate specialist Richard Cohen will be able to advise you on the various protection policies available. Call 01903 821010 or email richard.cohen@nsure.co.uk to arrange a free initial meeting to discuss further.