

FACT FIND

BUSINESS PROTECTION

SAFEGUARDING THE FUTURE OF A BUSINESS

When a business loses a key person, a shareholder or a partner, the consequences can be dramatic. Profits can fall. Loans might have to be repaid at short notice. At worst, the future of a business can come under threat.

Business owners need reassurance that even when the worst should happen, their business will have the means to stay on track. VitalityLife's Business Protection Plan can help provide this reassurance.

The following fact find will help you gather the information needed from a business owner to help provide this assurance.

1. BUSINESS DETAILS

Business name	<input type="text"/>				
Main client contact	<input type="text"/>				
Business type	Limited Company <input type="checkbox"/>	Sole trader <input type="checkbox"/>	Partnership <input type="checkbox"/>	Limited Liability Partnership <input type="checkbox"/>	Other <input type="checkbox"/>
Telephone numbers	Office <input type="text"/>		Mobile <input type="text"/>		
Email	<input type="text"/>				

BUSINESS OWNER 1 (MAIN CLIENT)

Name	<input type="text"/>				
Position	<input type="text"/>				
Date of birth	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Date joined	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Share of business owned	<input type="text"/>	%			
Have you smoked or used NRT in the last 12 months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>			
Gender	Male <input type="checkbox"/>	Female <input type="checkbox"/>			
Retirement age	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Remuneration/dividends/profit share	£ <input type="text"/>				

BUSINESS OWNER 2

Name

Position

Date of birth

Date joined

Share of business owned %

Have you smoked or used NRT in the last 12 months? Yes No

Gender Male Female

Retirement age

Remuneration/dividends/profit share £



NOTE: FOR ADDITIONAL BUSINESS OWNERS PLEASE USE THE "ADDITIONAL NOTES" PAGE OVERLEAF

1) SOLUTIONS FOR PROTECTING THE BUSINESS:

- a) Key Person Cover b) Loan Protection c) Shareholder/Partnership Protection

A. KEY PERSON COVER

Many businesses find that a small group of individuals – or even just one individual – are often responsible for a large part of their profits. Losing one of them can have a serious impact on the health of the business.

Key Person Cover pays a lump sum and aims to protect the business from loss of profits in the event of the death or serious illness of a key individual.

Examples of how the loss of a key person could impact upon the business:

- loss of profits
- loss of confidence or goodwill
- loss of systems knowledge
- redundancies
- need to train replacement
- difficulty meeting loan repayments
- loss of business contacts
- recruitment costs

KEY PERSON 1

Name

Position

Date of birth

Have you smoked or used NRT in the last 12 months? Yes No

Gender Male Female %

Retirement age

Replacement strategy

KEY PERSON 2

Name

Position

Date of birth

Have you smoked or used NRT in the last 12 months? Yes No

Gender Male Female %

Retirement age

Replacement strategy

KEY PERSON 3

Name

Position

Date of birth

Have you smoked or used NRT in the last 12 months? Yes No

Gender Male Female %

Retirement age

Replacement strategy

B. BUSINESS DEBTS/LIABILITIES

If one of the business owners or shareholders dies or suffers from a serious illness, lenders may have the right to demand that outstanding loans are paid.

Many businesses find it hard to make these payments at what is already a difficult time.

Loan Protection provides peace of mind, paying a lump sum following death or disability, allowing outstanding business loans to be paid.

Examples of outstanding loans could include:

- business loans
- overdrafts
- capital accounts
- mortgages
- directors' loans
- personal guarantees

Please complete the details below for each debt.

TYPE OF LIABILITY	PURPOSE	AMOUNT OUTSTANDING	WHO IS LIABLE	TERM/ REPAYMENT DATE	FACILITY	INTEREST RATES AND CHARGES
<i>e.g business loan</i>	<i>Software infrastructure</i>	<i>£80,000</i>	<i>Entire business</i>	<i>5 years</i>	<i>Capital and interest</i>	<i>8.0% APR</i>

C. SHAREHOLDER/PARTNERSHIP PROTECTION

If one of the shareholders/business partners dies (or suffers from a serious illness), their shares will usually pass to their beneficiaries. To regain full control of the business, the surviving shareholders/partners will need to buy the shares back. But they might not have the available capital to do this.

Shareholder or Partnership protection pays a lump sum if a shareholder or a business partner dies (or suffers from a serious illness). The proceeds of the plan help the surviving shareholders/partners to cover the cost of buying the deceased/ incapacitated individual's shares - thereby enabling them to keep control of their business.

1. Does the business have current policies in place for business succession on:

Death Yes No

Serious Illness Yes No

2. Have the business owners entered into an agreement for the sale and/or purchase of the deceased or seriously ill business owner's share in the business on:

Death Yes No

Serious Illness Yes No

3. Are there any restrictions in the Articles of Association or Partnership Agreement on the business owners, or those that inherit the business share, from selling that share?

Yes No

SHAREHOLDER / PARTNER 1

Name (see Business Owner details on page 1)

1. In the event of death or serious illness, what would happen to the deceased or seriously ill business owner's share?

2. In the event of a serious illness, what options would the seriously ill business owner have?

3. Have their shares been left to anyone in their will? Yes No

If 'Yes', to whom?

4. In the event of death or serious illness, will the remaining business owners have the funds to purchase the shares? Yes No

NOTES

SHAREHOLDER / PARTNER 2

Name

(see Business Owner details on page 1)

1. In the event of death or serious illness, what would happen to the deceased or seriously ill business owner's share?

2. In the event of a serious illness, what options would the seriously ill business owner have?

3. Have their shares been left to anyone in their will?

Yes No

If 'Yes', to whom?

4. In the event of death or serious illness, will the remaining business owners have the funds to purchase the shares?

Yes No

NOTES

SHAREHOLDER / PARTNER 3

Name

(see Business Owner details on page 1)

1. In the event of death or serious illness, what would happen to the deceased or seriously ill business owner's share?

2. In the event of a serious illness, what options would the seriously ill business owner have?

3. Have their shares been left to anyone in their will?

Yes No

If 'Yes', to whom?

4. In the event of death or serious illness, will the remaining business owners have the funds to purchase the shares?

Yes No

NOTES



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2. SOLUTIONS TO PROTECT THE INDIVIDUAL

Now that the business protection needs have been addressed, you should not forget to talk about protecting the individual. A common misconception is that business protection policies will provide for the individual or family if and when the worst were to happen. This is not the case.

Therefore it is important to consider the following Personal Protection.

PERSONAL PROTECTION (SOLE TRADERS OR FAMILY)

Should a shareholder/business partner die or suffer a serious illness, they may no longer receive an income.

Personal Protection aims to compensate the family in the form of a lump sum or monthly benefit if the worst were to happen.

NATURE OF COVER	DEPENDANT'S NAME	INCOME NEEDED	LUMP SUM NEEDED ON DEATH	LUMP SUM NEEDED ON SERIOUS ILLNESS	TERM REQUIRED
		£	£	£	
		£	£	£	
		£	£	£	
		£	£	£	
		£	£	£	
		£	£	£	
		£	£	£	
		£	£	£	
		£	£	£	
		£	£	£	



NOTE: FOR ADDITIONAL BUSINESS OWNERS PLEASE USE THE "ADDITIONAL NOTES" PAGE OVERLEAF

3. EMPLOYEE BENEFITS

Many companies insure the business premises but few actually protect the people that make the company function successfully. It is common knowledge that "people" are a business' greatest asset. Why then do we not protect them?

Employees that feel valued have been shown to be more productive and are absent from work less. The benefits to the business are plain to see.

A. RELEVANT LIFE PLAN (RLP)

Many companies offer their employees a 'death in service' benefit paying the employee's family a lump sum if they die while they're employed. But this kind of benefit doesn't always suit every company.

'Death in service' benefits are not normally available to companies with fewer than five employees; and because they are arranged on a group basis, companies may be forced to give the same benefit to everyone. This makes it difficult for your clients to offer their most valuable people something special.

'Death in service' benefit doesn't always suit every employee either. High earners with large pension pots can find that it takes them over their Lifetime Pension Allowance. This means that they could be paying personally for their Life Cover from their post-tax income.

There is, however, an alternative and cost-effective solution that can help you target employers and employees who need to structure their Life Cover in a different way - VitalityLife's Relevant Life Policy.

Our Relevant Life Policy gives your client's employees access to a range of discounts and incentives to encourage them to look after their health. Healthy employees are more engaged, take less time off sick and are more productive. Having a Relevant Life Policy can also help with recruitment and retention.

EMPLOYEE 1

Name

Position

Date of birth

Have you smoked or used NRT in the last 12 months? Yes No

Remuneration (including regular dividends and bonuses) £

EMPLOYEE 2

Name

Position

Date of birth

Have you smoked or used NRT in the last 12 months? Yes No

Remuneration (including regular dividends and bonuses) £

EMPLOYEE 3

Name

Position

Date of birth

Have you smoked or used NRT in the last 12 months? Yes No

Remuneration (including regular dividends and bonuses) £

EXTRA INFORMATION

1. Does your client currently offer their employees a rewards or benefits package?

2. How do they feel about rewarding employees for taking healthy choices?

3. How important is employee morale and loyalty for their business?

4. What would a healthier workforce mean to your client?

5. Would your client be interested in receiving cashback if their employees lead a healthy lifestyle?

B. PRIVATE MEDICAL INSURANCE (PMI)

An extra benefit/opportunity that many directors may be interested in, once business and personal protection needs have been covered, is Private Medical Insurance. Offered by VitalityHealth, this product is an excellent way to protect the health and wellbeing of the individual, the individual's family or for providing extra benefits for employees of a company.

For further information on Private Medical Insurance, please speak to your account manager.

ADDITIONAL NOTES (EXTRA BUSINESS OWNERS / KEY PERSON DETAILS, RELEVANT FINANCIAL INFORMATION ETC).