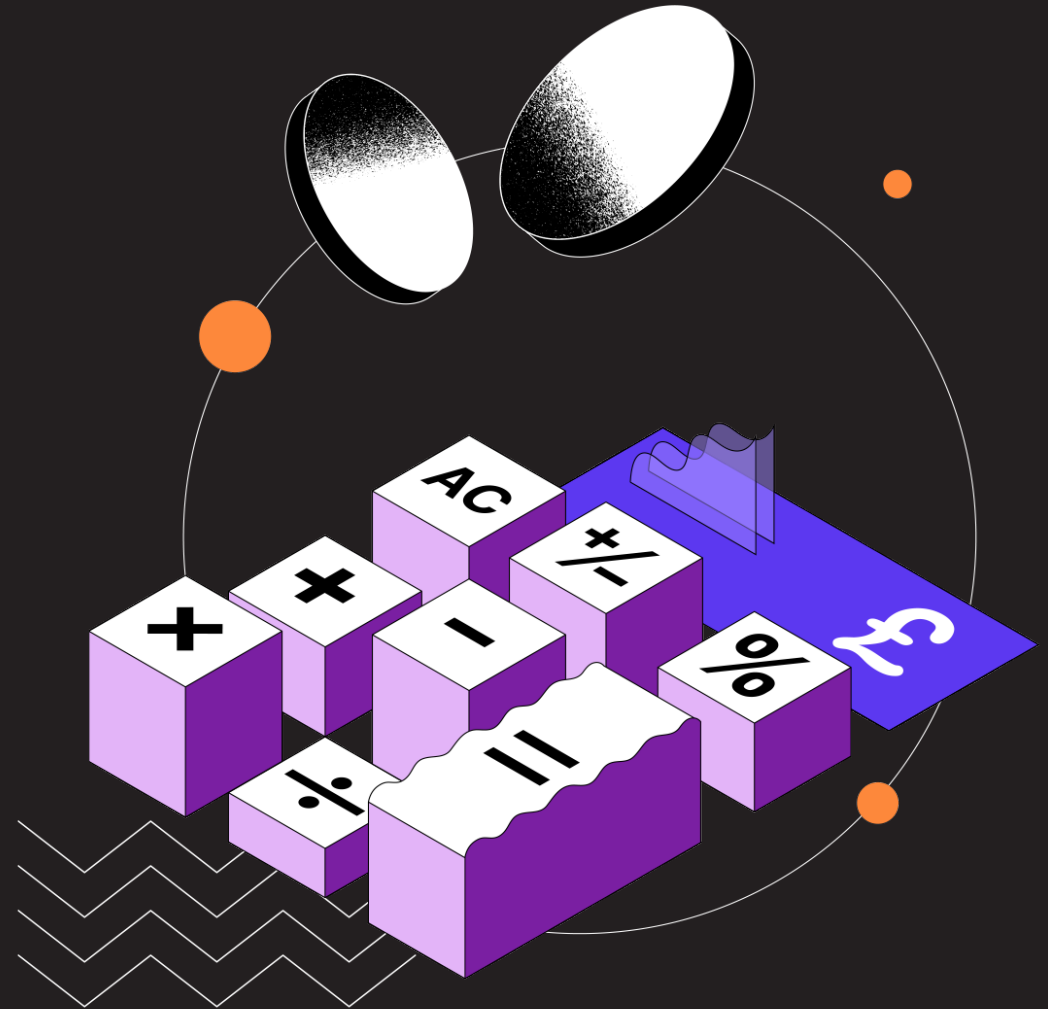


**broadbench**

# Your Guide To Business Protection

Keeping Your Business Profitable  
By Mitigating Risks And Sucession  
Planning



[broadbench.co.uk](http://broadbench.co.uk)     

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# Business Protection

## Why use a specialist broker for your business insurance needs?

Shareholder Protection, Key Person, Business Loan Protection, Relevant Life Insurance... Let's face it, there is a dizzying array of different products and solutions in the business protection insurance space. It is difficult to adequately assess which product at what level of cover will best suit your needs. This is where talking to an expert business owner adviser really comes into its own.

A whole-of-market adviser is impartial and has the skills and knowledge to fully assess all of your circumstances before providing a recommendation. Expert brokers, like Broadbench, will take a holistic view of mitigating risk and succession planning and highlight tax efficiencies, and product sectors that you were perhaps unaware of.

Not only that, but we know how to quickly navigate the insurance minefield and set up exactly what you require – taking the hassle out of your hands.

## No fee advice

Unlike mortgage advice, where there is usually a flat fee paid to the broker, you pay no fees. If you choose to take an insurance product, then the provider will pay fees to us.



# What Is Business Protection?

## 1. Debt - Business Loan Protection

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The policy proceeds are used to help pay off any outstanding loans the business may have.

## 2. Ownership - Shareholder Protection

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On the death of a business owner the policy proceeds are paid to the remaining owners to buy the share of the business from the deceased's estate.

## 3. Profit - Key Person insurance

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The policy proceeds are paid directly to the business to be used to help replace a Key Person or cover the loss of profits that may occur.

## 4. Family Protection

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Relevant Life Plan - A tax-efficient single life Death-in-Service benefit.

## 5. Employee Protection

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Executive Income Protection – An individual company sick pay policy paid for by the company. And Private Medical Healthcare to ensure employees get better, faster.

## 5. Business Reputation

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Professional Indemnity - If you fail to meet a client's satisfaction, your business could be vulnerable. You may not even know you've done something wrong until it's too late. The result can be costly, stressful and disruptive to your business.



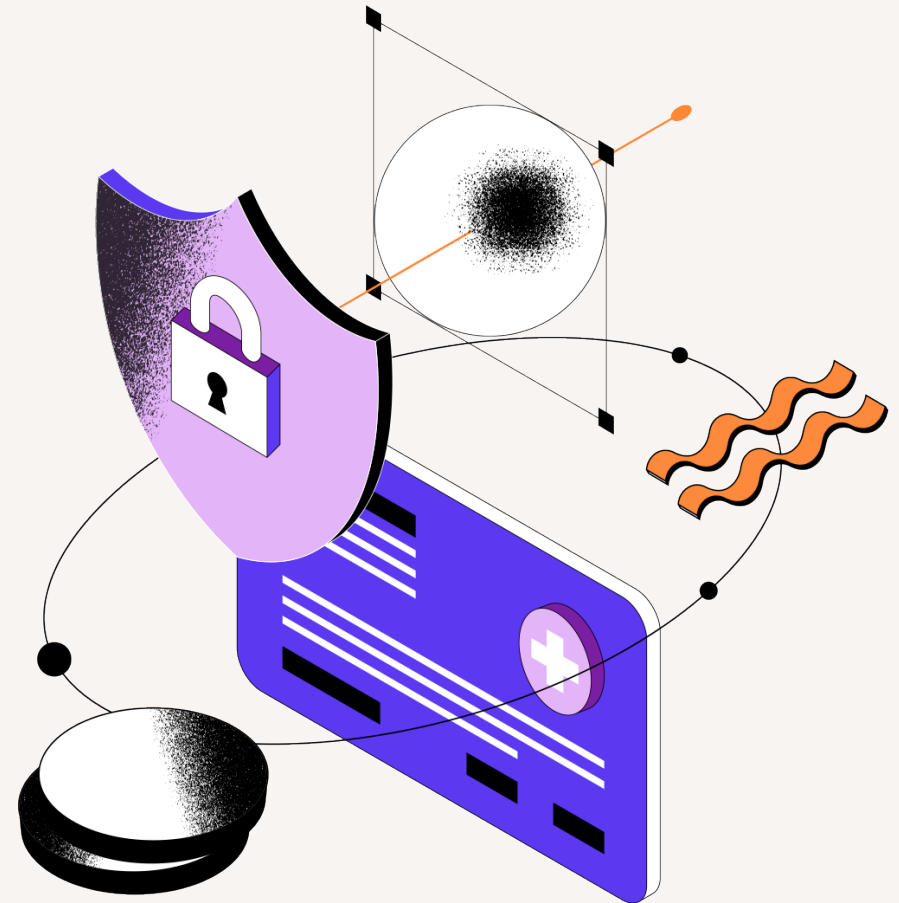
## Relevant Life Insurance

Take control of your protection by moving your monthly life insurance payments from your pocket to your limited company expenses. It's very tax efficient!

Relevant Life Insurance is a type of life insurance that is designed specifically for business owners and company directors. It's a tax-efficient way for companies to provide death-in-service benefits to its employees.

Instead of providing group life cover, the employer can provide a Relevant Life Policy on an individual basis.

In terms of costs, Relevant Life Insurance premiums are generally lower than traditional group life insurance policies, making it a cost-effective option for both employers and employees.



Click on the image to watch our Relevant Life video or go to: <https://www.youtube.com/watch?v=3Ej0YOof46k>

# The Important Stuff

## Reasons To Choose Relevant Life Insurance

### 1. Death-In-Service Benefit

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Relevant Life Insurance gives business owners and their employees a fantastic death-in-service benefit, keeping your team engaged and feeling valued.

### 2. You See Immediate Savings

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By paying for life insurance through your business, you can reduce your personal outgoings by hundreds if not thousands of pounds per year.

### 3. There's No Impact On Existing Benefits

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Relevant Life Insurance isn't treated as a benefit-in-kind.

### 4. NI Doesn't Apply

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Relevant Life Insurance premiums aren't subject to National Insurance payments.

### 5. You Can Claim Tax Relief

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Your business can claim Corporation Tax Relief on your monthly Relevant Life Insurance premiums.

### 6. It's A Flexible, Tax-Free Payout

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There is no tax to be paid on Relevant Life Insurance benefits and no restriction as to what the payout is used for.

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and HM Revenue and Customs' practice. Levels and bases of tax relief are subject to change.



# Key Person Insurance

Many businesses find that certain key individuals are responsible for a significant proportion of their profits. Losing one of them can have a serious impact on the health of the business.

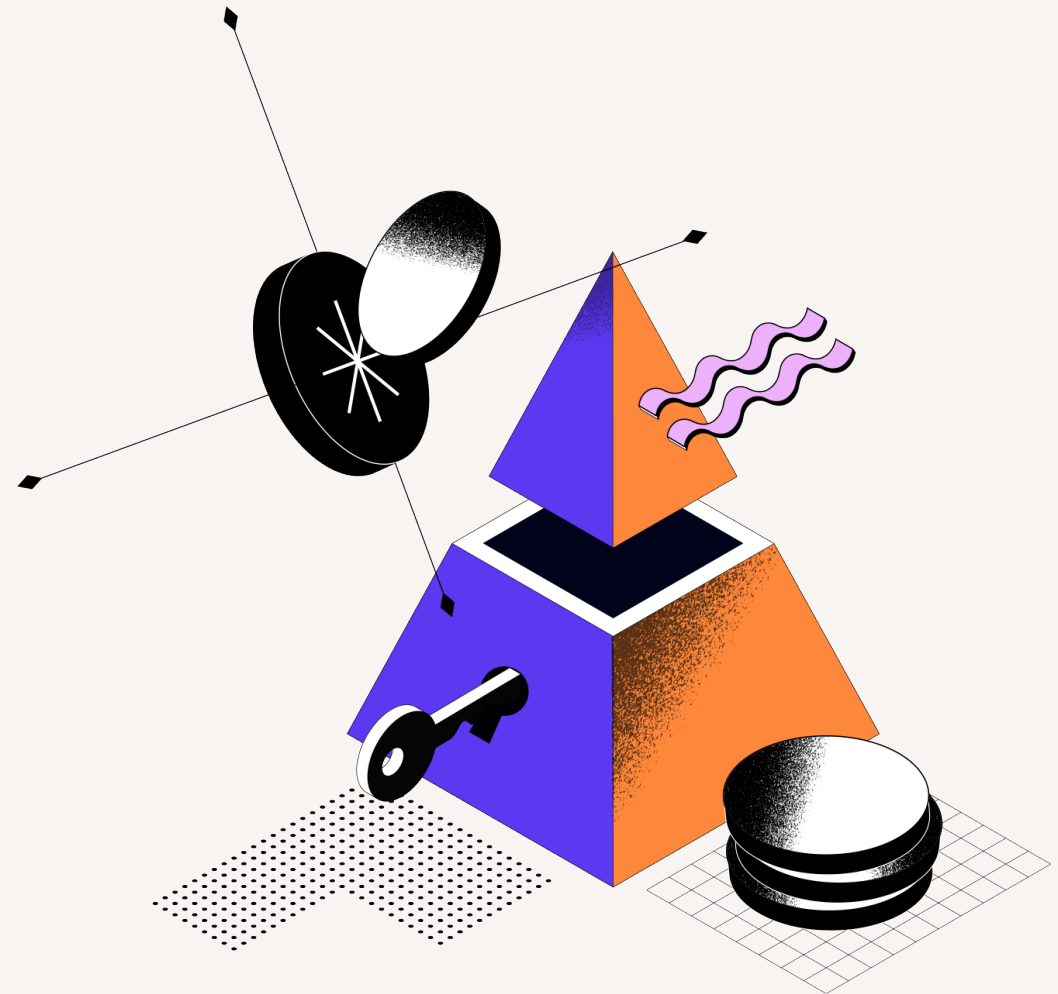
Did you know that 50% of small businesses fail within the first five years of operation? Of those that fail, **42% cite the unexpected loss of a key person** as the primary reason.

But there's a solution - with a Key Person policy, you can mitigate the impact of their absence. If the key person were to die or suffer from a severe illness, the policy pays a cash lump sum to make up for any loss in revenue or profits, thereby keeping the business on track.

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Click on the image to watch our Key Person video or go to: <https://www.youtube.com/watch?v=J25DCTmoHfU>



\* According to a survey by the National Small Business Association.

# Key Person Insurance

## Reasons To Choose Key Person Insurance

### 1. Cash Lump Sum

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The policy pays a cash lump sum to make up for any loss in revenue or profits, thereby keeping your business on track.

### 2. Tax-Free Payouts

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Are you self-employed? Your company will receive a tax-free payout to allow you time off work to recuperate.

### 3. Cover Your Outgoings

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This plan can pay for your costs of living such as mortgages and household bills or in some examples (such as paralysis) make alterations to your home/lifestyle to allow you to adjust.

### 4. Safeguard Earnings

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This plan also safeguards any savings you've accumulated over the years (and paid tax on).



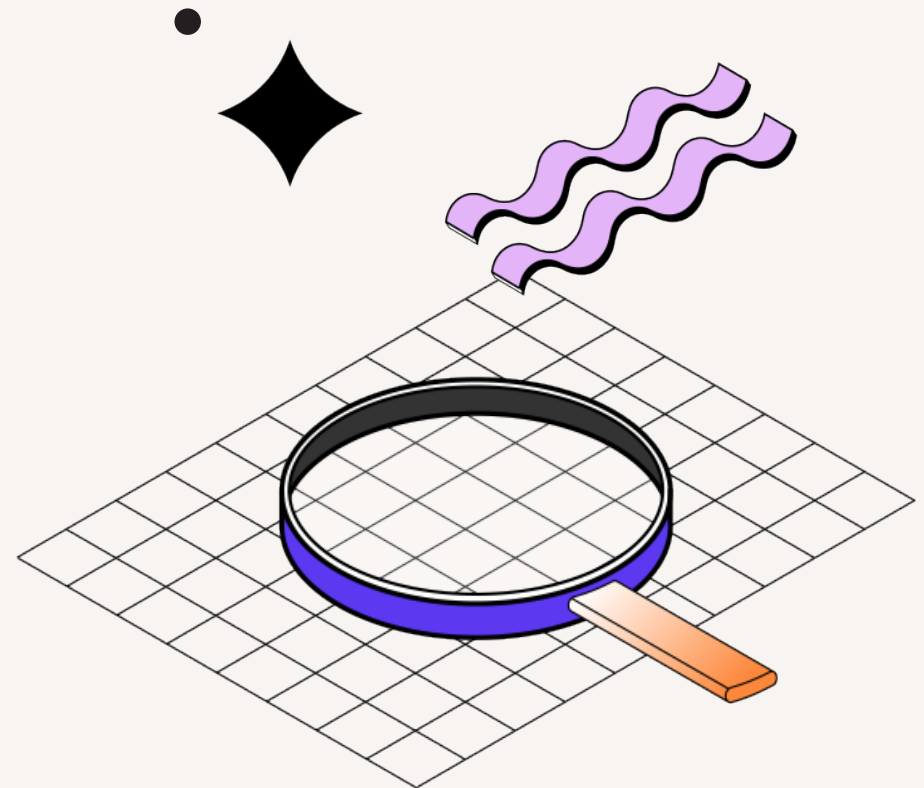
# Key Person Insurance

## Who Is A Key Person?

A key person is ANYONE whose skill, knowledge, experience or leadership contributes to the continued financial success of the business.

## Questions To Ask

- How much revenue does the key person generate?
- Would their business loans be impacted if the key person were to be suddenly absent due to serious illness or death?
- Would the business suffer a loss of vision?
- Does their business have sufficient cash reserves to cover any loss of income?
- Can you afford to recruit a replacement straight away?
- Would any of their customer/supplier relationships be affected?



# Key Person Insurance

## The Statistics

- According to a survey by the National Small Business Association, 50% of small businesses fail within the first five years of operation. Of those that fail, **42% cite the unexpected loss of a key person** as the primary reason.
- **One in four UK companies would close** immediately after losing a key person, according to Legal & General research.
- A study by the National Small Business Association found that the average **cost of replacing a key person is equal to six times the key person's salary**. This can be a significant financial burden for a small business.
- According to a survey by Swiss Re, **one in five small and medium-sized enterprises (SMEs)** would have to close within six months of losing a key person.



# Executive Income Protection

## Protecting businesses against sick pay costs when an employee can't work

Executive Income Protection is designed for small and medium businesses to cover the cost of providing sick pay benefits to a key employee.

The policy is arranged and paid for by the employer (the policy owner) on the life of the employee (person insured). If the employee becomes ill or injured and unable to work, the monthly benefit under a claim is paid to the employer (policy owner) who passes onto the employee via PAYE to fund ongoing sick pay.

The employer can also cover other costs (for example their employer's National Insurance and pension scheme contributions).



# The Benefits

## Protecting Your People

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The monthly benefit pays out to the employer and is passed on to the employee via PAYE to cover the cost of sick pay, so protecting the business finances.

- Designed for small and medium businesses (SMEs).
- Covers up to 80% of the employee's earnings plus the employer's National Insurance and pension contributions (maximum levels apply).
- Usually counts as a tax-deductible expense for the employer.
- More tax-efficient than personal Income Protection cover for the employee.

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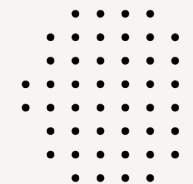


## What's Not Covered?

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The exclusions vary with each policy and insurer but a typical health insurance policy doesn't usually cover:

- Pre-existing medical conditions.
- Chronic conditions.
- Emergency treatments.
- Treatment – received outside the UK.
- Cosmetic treatments.
- Drug, alcohol or substance abuse.
- Fertility treatment.
- Maternity.



# Business Healthcare Insurance For Employees

Small business health insurance gives your employees access to private healthcare. It's perfect for sole traders - or if you're a small business.

- **Get fast access** to private healthcare for your employees.
- **Reduce sick days** - up to 29% lower risk of hospitalisation for active members.
- **Help your employees get healthy** - employees are on average 22% more active after 1 year with our programme.
- **Attract and retain top talent** with fantastic benefits.
- Most insurers offer great healthcare benefits and rewards to help keep your employees happy and healthy.

Source: Vitality Health Claims Insights Report 2023 and Vitality data 2021-2023

## 100+ Employees?

If you have over 100 employees and want a claims-rated plan, we can talk to you about Corporate Healthcare.



# Shareholder Protection

## Why do you need for shareholder protection?

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Shareholder Protection insurance provides a set-out, binding agreement between shareholders. It can provide shareholders with the necessary funds to buy shares back from each other if one of you were to pass away ensuring that shares remain in the business. It can also help if a shareholder becomes too ill to work anymore.

When a shareholder passes away, their shares become part of the estate which usually goes to the family. This means the family now owns the shares. With Shareholder Protection the other shareholders can buy back the shares from the family.

This benefits both the business and the family - the business retains the shares and the family receive the financial support at a difficult time.

Your Broadbench financial adviser can help you to set up the correct type of policy and ensure that the valuation of the business is accurate and that all parties fully understand the agreement they are entering into.

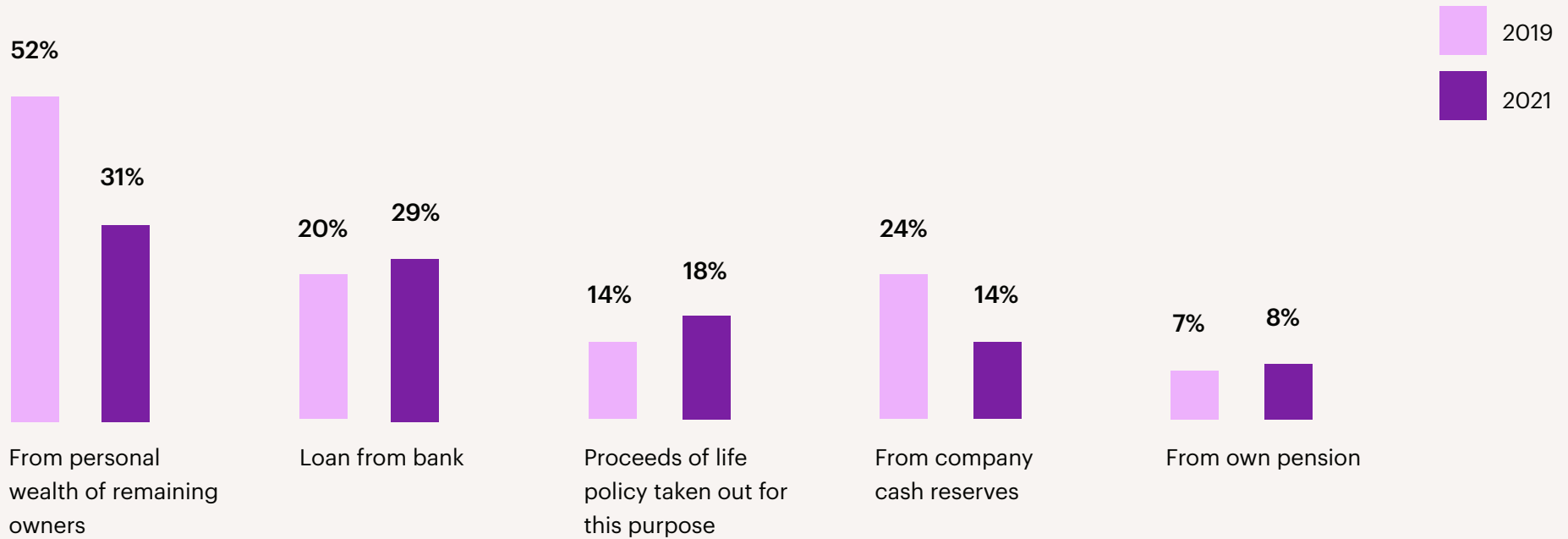
## The benefits of shareholder protection

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- Financial stability for both the business and the family.
- Businesses won't need to use capital or dip into savings to purchase the additional shares.
- The business owners retain control of their company.
- It negates the risk that a stake in your business could be inherited by an unwelcome beneficiary, or result in the business having to be sold.
- A seamless process for shares to change hands that keeps disruption to a minimum.
- The family/beneficiaries will have a clear understanding of the amount they will receive when selling the shares back to the remaining shareholders.

# What Would Happen To The Shares?

If A Shareholder Were To Die How Would The Purchase Of The Shares Be Funded?



## Why Is It Important?

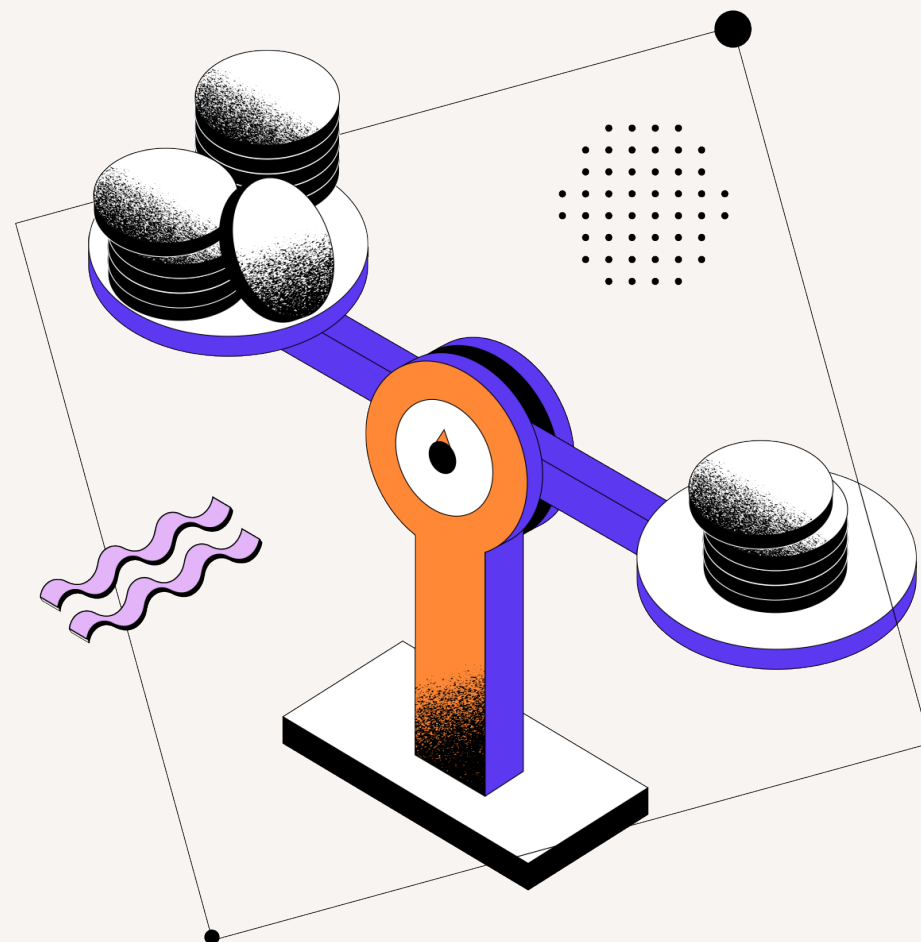
The loss, or incapacity, of a shareholder can disrupt a company but by having shareholder protection in place the interruption to your business will be minimised by enabling:

- Business Continuity.
- Funds being made available to the individuals who wish to buy the shares.
- An improved tax position on the death of a shareholder.
- The deceased's estate to receive funds in a timely manner.
- Creation of a 'market' for private company shares.

## Other Considerations

- Calculating the value of the company.
- Implementing a Shareholder Agreement.
- Use of Trusts.
- What would happen if Shareholder suffered a critical illness?

Your Broadbench adviser will assist you to ensure that the correct amount and structure is in place.



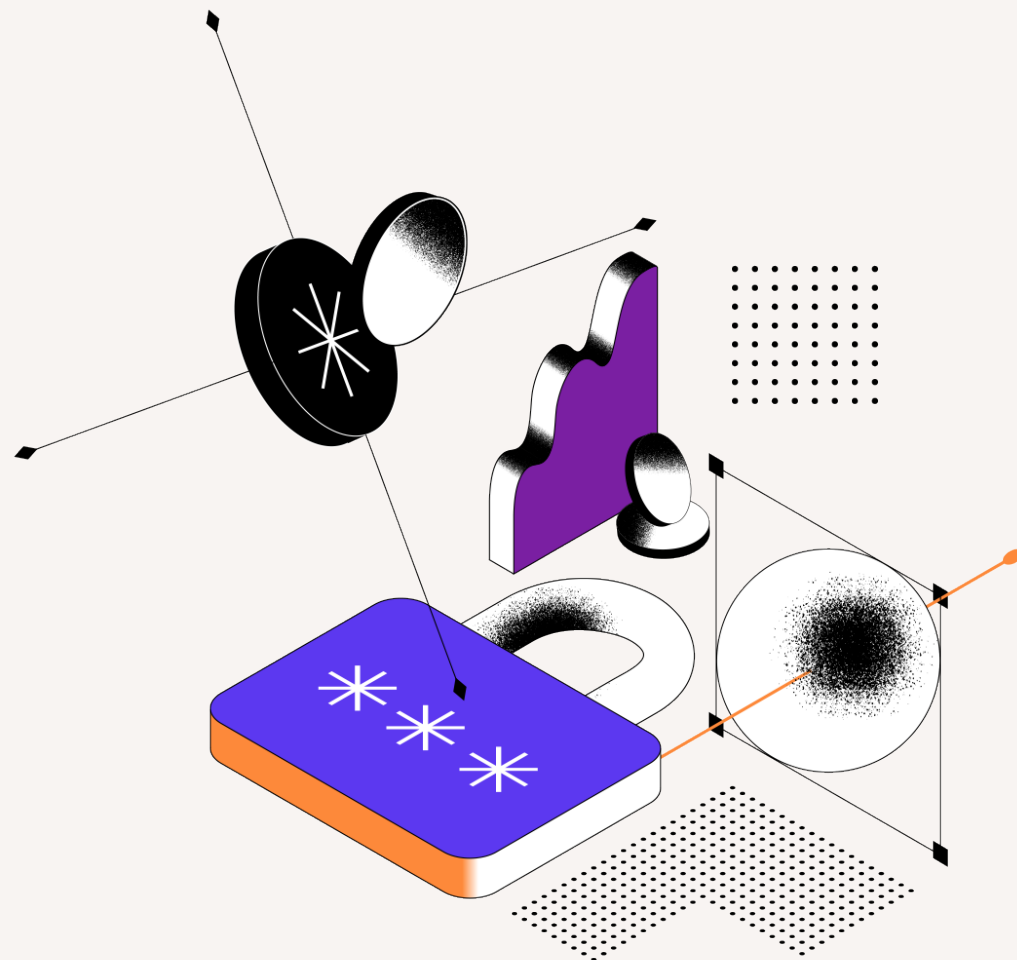


# Business Loan Protection

Protection for business loans against the impact of death or critical and terminal illness of key members of staff who have a direct impact on the business's profits, such as a business owner, director or employee with specialist skills.

- Provides a lump sum to repay loans taken by the business.
- Mitigates the impact of death or critical and terminal illness of key members of staff, such as a business owner, director or employee with specialist skills.
- Can help your business pay an outstanding overdraft, loan, or commercial mortgage.
- Option to include Critical Illness cover.
- The level of cover should reflect the amount that the business owes in borrowed money.
- Policies can be taken out on a 'level' or 'decreasing' cover basis.

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# Business Loan Protection

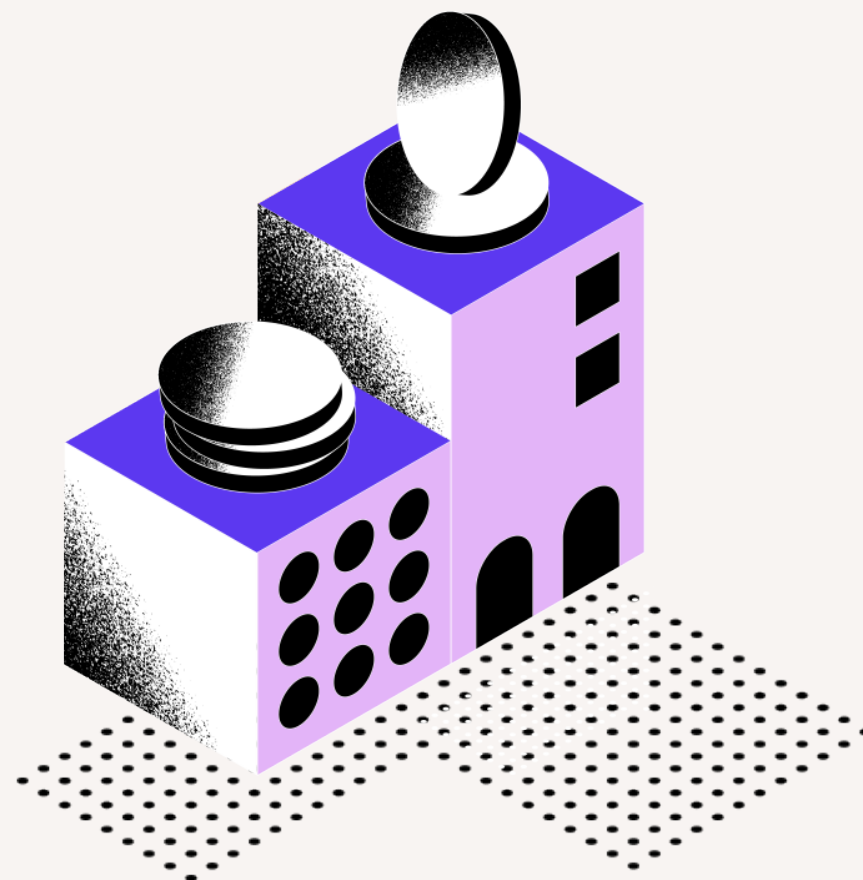
## Business Loan Protection And Trusts

- A traditional partnership business in England and Wales can set up its Business Loan Protection in trust.
- The policy would be owned by the trustees and would be written as an 'own life' policy.

## Business Loan Protection And Tax

- If the deceased key person was also a shareholder, and the shares were passed to someone other than the spouse or civil partner, then any Inheritance Tax liability may be increased.
- The premiums would not receive tax relief because the policy was taken out to protect the capital of the business.
- A Capital Gains Tax liability may arise in the event of the sale of an individual's share in the business due to a terminal or critical illness.
- There may be other taxation implications, but this will depend on your individual circumstances.

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and HM Revenue and Customs' practice. Levels and bases of tax relief are subject to change.



# Professional Indemnity

## What Would You Do If Your Business Got Taken To Court?

If you fail to meet a client's satisfaction, your business could be vulnerable. This could include anything from making a mistake to leaking confidential information. You may not even know you've done something wrong until it's too late. The result can be costly, stressful and disruptive to your business.

- **Breach Of Contract** – when the client feels you haven't done what you were asked to do.
- **Negligence** – if you made a mistake or given the wrong advice.
- **Infringement Of Intellectual Property Rights** – you've used something without the owner's permission.
- **Defamation** – you've said or written something about a person or organisation that isn't true.
- **Breach Of Confidence** – when you've shared information that you should have kept to yourself.



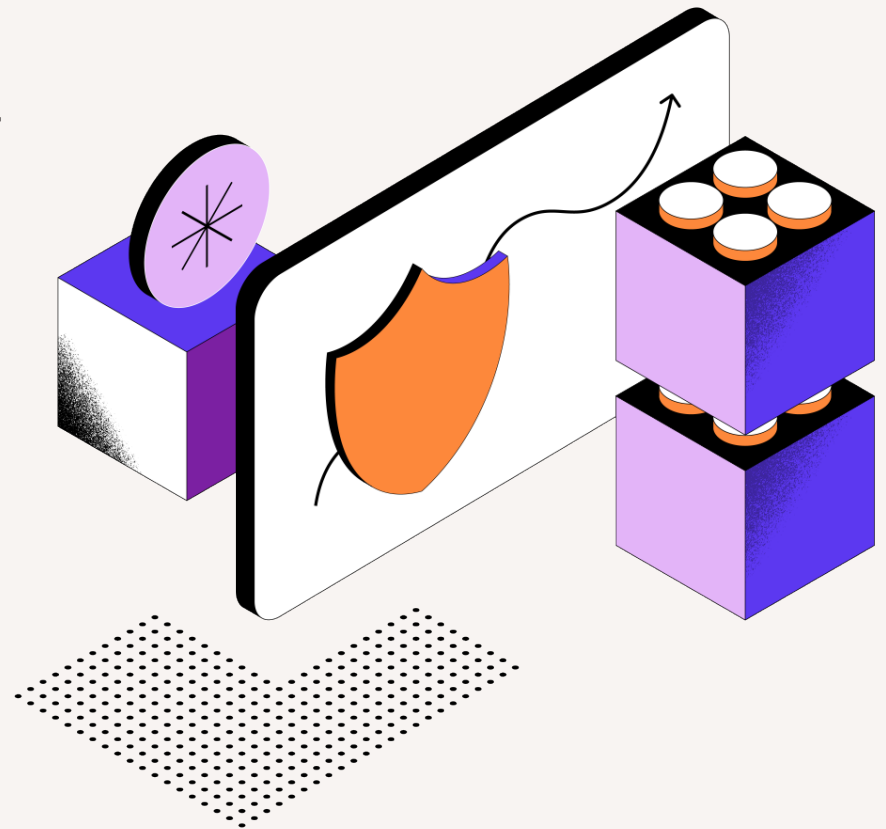
# Professional Indemnity

## Business Owners And Contractors Should Have This Cover

You may look at the list above and think you'd never do anything like that. That's probably true, but your client may see it differently.

If you don't have Indemnity Insurance then you'd have to foot the bill for legal costs and any compensation you have to pay out, which is not only stressful, you could lose your business.

Wrongly or rightly you should have this cover.



# Does Your Business Need A Health Check?

## You Have Your DRaaS Plans In Place - But Mitigating Risk Through Protection Policies Is Just As Important

We all know that DRaaS (Disaster Recovery as a Service) is important.

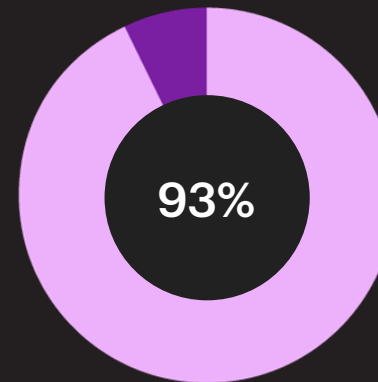
Most of you wouldn't dream of running your business without it these days! What if the threat to your business wasn't a data breach, Software failure or human error....

## Receiving Professional Tailored Support Improves Financial Decision Making

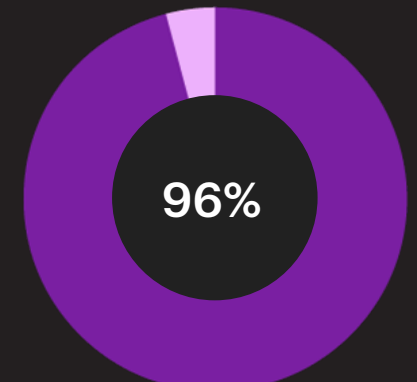
When guidance is tailored to an individuals' circumstances and presents clear, relevant options, consumers will make better financial decisions. This is according to new research from the Association of British Insurers (ABI) and Thinks Insight and Strategy's Behavioural Team.

Without regulated financial advice, many business owners will struggle to make the right financial decisions. Afterall, keeping abreast of the latest legislation and taxation rules, isn't your area of specialism.

But it is ours...



93% of companies without disaster recovery who suffer a major data disaster are out of business within one year.



96% of companies with a trusted backup and disaster recovery plan were able to survive ransomware attacks.

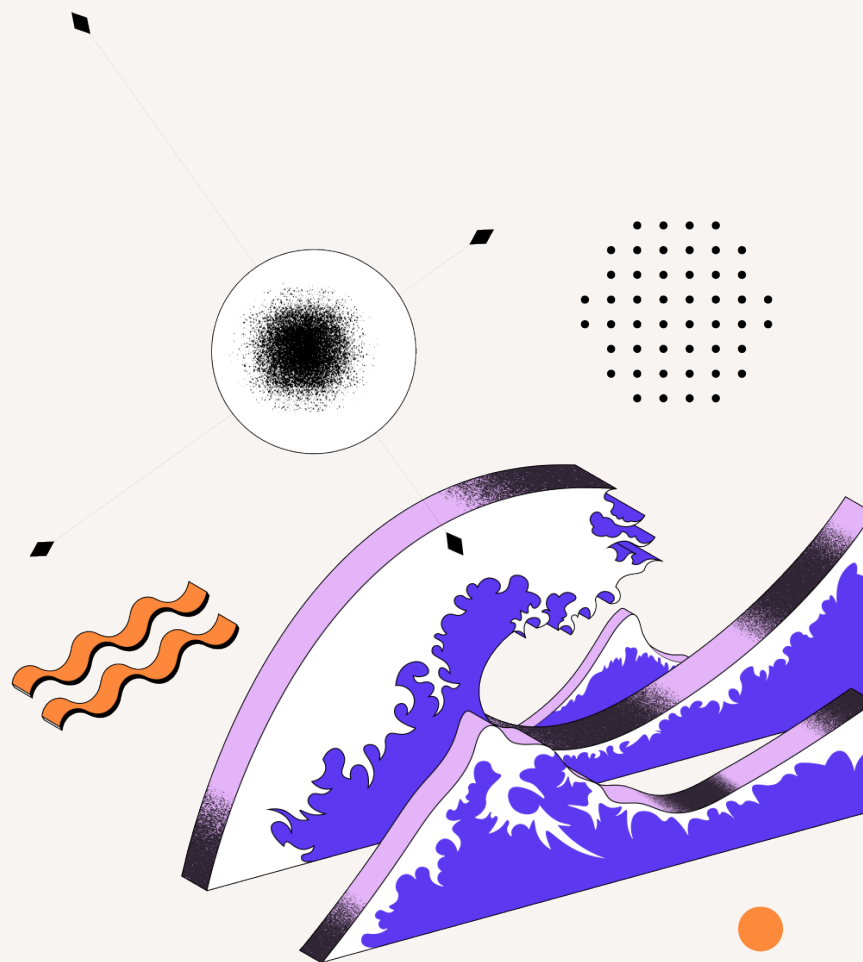
## Why Broadbench?

Many of us decide on what insurance to go for (whether it's for your car, your house or your life) that fits the monthly premium we want to pay. Of course, you could go to a price comparison site and very quickly find the cheapest quote on the market, but would it be the best solution for you and your family?

Our advisers have the skills and knowledge to offer you bespoke and impartial advice, taking in a holistic understanding of your circumstances and combining it with a deep knowledge of what different providers offer. Not only that, but they know how to quickly navigate the insurance minefield and set up exactly what you require, taking the hassle out of your hands.

### The Benefits Of Using Broadbench:

- Bespoke and impartial advice.
- You deal with a human, not a computer.
- The hassle is taken out of your hands.
- Access to expert market knowledge.



# 4 Simple Steps

## How We Make Your Life More Manageable

### 1. We Listen To You

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Getting to know you, your requirements and how you work enables us to find the perfect products for your needs.

### 2. We Study The Market

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Leveraging our network of lenders and insurers, we scour the intermediary market to find the best options and dig into the detail to make sure they're the right fit for you.

### 3. We Do The Boring Bits

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You just want to sign up with the right provider, not be buried in forms and red tape. That's why we run you through the details and fill out all the paperwork ahead of your final approval.

### 4. We Stay In Touch

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We don't just recommend and walk away. We'll regularly check whether your product is right for your current circumstances and, if not, find a new one that is.

## Our Services

### Business Protection

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- Relevant Life Insurance
- Key Person Insurance
- Executive Income Protection
- Business Healthcare
- Shareholder Protection
- Business Loan Protection
- Professional Indemnity

### Personal Protection & Insurance

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- Life Insurance
- Whole Of Life
- Critical Illness Insurance
- Private Healthcare
- Indemnity Insurance
- Personal Income Protection
- Buildings & Contents

### Mortgages

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- First Time Buyer
- Home Mover
- Remortgages
- Buy to Let

### Other Services

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- Pensions



## What Our Customers Say

We are passionate about our customers and providing giving the very best service. Take a look at our latest reviews on Trustpilot.

“Was very well looked after by Mike and the team, good lines of communication and an all round pleasant experience using Broadbench. Will definitely be using them again in future and would highly recommend.”

★★★★★ by Adam

Rated 4.9 / 5 | 308 reviews

★ Trustpilot

“Great company to do business with. Nothing is too much trouble and they keep you informed all the way through the process.”

★★★★★ by John

Rated 4.9 / 5 | 308 reviews

★ Trustpilot

“Tricky insurance renewal all sorted!! – I had a bit of a tricky insurance renewal requirement with lots of back and forth with my insurance provider. Jess and the team at Broadbench were brilliant! Chasing, unblocking issues and helping ...

★★★★★ by Paul

Rated 4.9 / 5 | 308 reviews

★ Trustpilot

“Broadbench did a great job of securing mortgage extension for me, kept informed throughout, would recommend.”

★★★★★ by DD

Rated 4.9 / 5 | 308 reviews

★ Trustpilot

“I am very happy and grateful of the service I get from all the staff of Broadbench. Excellent team!”

★★★★★ by Micheal Teklekle

Rated 4.9 / 5 | 308 reviews

★ Trustpilot

“Broadbench. Number One Provider! – We have used Broadbench as our chosen insurance broker for a fair number of years now. Both Tom & Jess have always fullfilled their duties and we could not reccomend them enough. Thanks Broadbench.”

★★★★★ by Terry Warman

Rated 4.9 / 5 | 308 reviews

★ Trustpilot

# broadbench

## Find Out More

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[broadbench.co.uk](http://broadbench.co.uk)     

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