

Viewpoint



Surviving the loss of a key person

The loss of a key person from a small or medium-sized business can have a dramatic effect.

The importance of protection

Millions of people have insured their pets, but who will pick up the bill if something happens to you?

Time for an upgrade

Products like critical illness insurance have changed, so it's important to make sure your cover hasn't become outdated.

Surviving the loss of a key person

If something happened to you, your co-owners or employees, could your business survive?

According to research by Legal and General, if a business suffered the loss of a key person:

- 40% of businesses would cease trading in less than a year of the death or serious illness of a key person
- 63% of sole traders would cease to trade immediately
- 46% of new businesses (less than two years old) would cease to trade immediately

The loss of a key person within a small or medium-sized business can cause unexpected costs and disruption. Not only would the business have to fund the cost of recruiting and training a replacement, but it would also risk suffering from a:

- loss of profits
- loss of important business contacts
- loss of knowledge and expertise
- Customers and suppliers losing confidence in the business

Business protection insurance can help mitigate or even avoid these risks altogether

As a business owner, you should know there are three main types of business protection: Key Person Insurance, Shareholder Protection Insurance and Business Loan Protection.

- *Key Person Insurance* – provides a lump sum to the business on the death of an important member of the business.
- *Shareholder Protection Insurance* – provides a lump sum that will allow remaining shareholders to buy the shares of a deceased shareholder.
- *Business Loan Protection* – provides a lump sum to help a business pay any outstanding business loans.

Deciding on the right type of cover depends on the circumstances involved and the events the business wants to insure the key person against.

People are the biggest asset to any business and Business Protection Insurance is designed to keep your business trading should the worst happen.



For further information or advice on setting up a business protection policy please get in touch.



The importance of protection

Millions of pet owners have purchased insurance in case of an expensive trip to the vet's, but who will pick up the bill if something happens to you?

i

The next time you're renewing your pet insurance, check your own level of cover too. If you'd like more information on the types of cover available and whether they are suitable for you, please get in touch.

Many pet owners will know the stress and financial burden caused by an expensive vet's bill and have taken out pet insurance to avoid having to make difficult decisions at stressful times. In fact, figures show 3.9 million dogs and cats are covered by pet insurance.

However, it seems we place more value on our pet's wellbeing than our own, with almost 8.5 million people in the UK potentially needing some sort of insurance cover, having none.

Why aren't we insuring ourselves?

One in four breadwinners does not have life insurance in place, risking leaving their families in financial difficulty if they were unable to work – or worse, died. It seems women are in a worse position than men, with 38% protected by some sort of policy, compared to 45% of men.

So what is it that puts us off buying insurance? Perhaps it's the thought of paying out each month but not seeing any benefit from the cover.

Far from being a luxury, protection insurance should be considered essential. If you suffered a serious illness or injury you may lose your income, and this

could lead to you losing your home. Similarly, if you died, would your loved ones be able to maintain their current lifestyle without your income?

If you think it's not going to happen to you, you may be surprised to know:

- half of people in the UK born after 1960 will be diagnosed with some form of cancer during their lifetime
- In 2015/16 8.8 million working days were lost due to musculoskeletal disorders
- there are up to 175,000 heart attacks in the UK each year

Insurance policies can provide funds to help deal with the financial consequences of illness, an accident, unemployment or death. Whether that's to help pay the mortgage, maintain your family's lifestyle, or even help pay for medical treatment or specialist nursing support.



Time for an upgrade?

Have you upgraded your mobile phone in the past two years?

If the answer's yes, your choice may have been driven by a change in your needs or wants. Perhaps you opted for a better deal, a different contract, or a handset with new features that weren't available with your previous model?



We can review your needs and make sure you have the right cover in place. To arrange your review, please get in touch.

When it comes to updating your phone TV or even your car we all want to feel like we're getting a good deal.

The question is: why don't more of us do this with items like the financial products we pay for every month?

Are your current arrangements still right for you?

Take critical illness insurance as an example. If you have a critical illness policy:

- When did you last update it?
- Does it still provide the cover you need?
- Does it continue to provide the benefits and features you need?

When your needs change, it makes sense to update things

Life may have changed since you last bought or reviewed your critical illness insurance cover. You may have had children, moved house, or your income may have changed.

This means that even though you have a critical illness plan in place, it might not offer you the level of cover you'd need if the unexpected happened.

However, it might also provide cover for certain conditions which may not be available on a new plan.

Insurance innovation

It's not just mobile phone companies that compete to offer the most innovative products – insurance companies are constantly updating their products to reflect customers' changing needs too.

Given that more of us are living longer and surviving serious illnesses like cancer it is perhaps unsurprising that products like critical illness insurance have changed in recent years. For instance, many insurers have introduced greater flexibility and extended their cover to cater for a wider range of illnesses. Some have even introduced completely new products offering partial pay-outs, or for an additional cost, allow you to claim for non-critical illnesses and injuries.

Protect your loved ones

Critical illness insurance can help you cover mortgage or rent payments, treatment, or any home alterations you may need to make as a result of an unexpected critical illness – so it's important your cover remains up-to-date.

PR Financial 01179 516999
664 Muller Road pr.financial@openwork.uk.com
Eastville
Bristol
BS5 6XB

