

For adviser use only

# Key Person Protection

## A quick guide

Every business has employees whose skills, knowledge, experience or leadership make a big contribution to its success. And if lost, there could be an immediate financial impact.

Key Person Protection can help businesses protect against the financial impact of losing a key persons due to critical illness, injury, terminal illness, or death, depending on the chosen plan.

The benefit can address a reduction in profits, the need to recruit a replacement, outstanding loans, and the loss of important personal or business contacts that could affect customer confidence in the business.

## Reasons to recommend



### Profit protection

Key people are often responsible for generating a significant proportion of profits for a business. Protecting them can provide peace of mind that a proportion of any lost profits will be covered.



### Replacement cover

Finding a replacement employee can be challenging. Business owners can choose to cover the cost of finding a replacement, or a temporary replacement if a Key Person Income Protection plan is chosen.



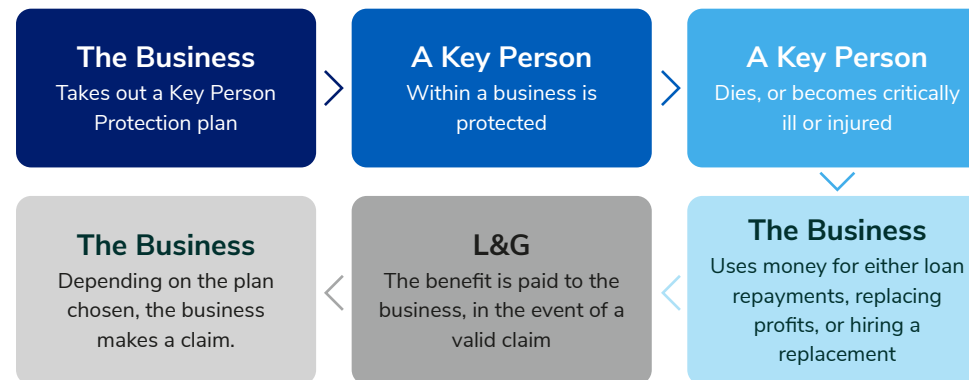
### Loan protection

This covers part of the repayments and interest associated to a business mortgage or loan, specifically relating to the contribution of a key employee.



## How it works

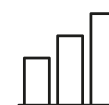
The policy is owned and paid for by the employer, so any pay-out or monthly benefit is payable to the employer.



## Cover to suit your clients business needs



Tailor the plan around the business needs, with a choice of 3 products.



Level or increasing cover to help protect against inflation. Eligibility criteria applies.



Changing your policy option without further medical questions. Eligibility criteria applies.



Access to our range of support services, all included as standard, at no extra cost.\*

\*Wellbeing Support provided by Red Arc Assured Limited is available on all 3 plans. Rehabilitation Support Service available only on Key Person Income Protection.

# What our plans offer

Business needs are broad and can't necessarily be protected with a single policy. That's why we offer three types of policies. Take a look at the table to see the differences between the various plans.

	Key Person Protection (Life Insurance)	Key Person Protection (Life Insurance with Critical Illness Cover or Critical Illness Extra)	Key Person Income Protection
Accidental Death Benefit	Yes	Yes	No
Changing your policy (Guaranteed Insurability Option). Eligibility criteria applies	Yes	Yes	Yes
Deferred period (1st payment is made 4 weeks after the deferred period ends)	N/A	N/A	4, 8*, 13, 26 or 52 weeks
Hospitalisation Benefit	No	Yes	No
Increasing cover (Eligibility criteria applies)	Yes	Yes	Yes (Unavailable if cover is to meet loan repayments)
Linked Claims	No	No	Yes
Maximum age at outset	77	67	60
Policy must end	By 90th birthday	By 75th birthday	By 70th birthday**
Maximum Cover	£10,000,000 (subject to underwriting)	- £3,000,000 (SWT definition) - £2,000,000 (Own Occupation definition)	- £20,833 a month (£250,000 a year) - £14,853 a month (£175,000 a year - increasing cover)
	Guaranteed	Guaranteed (reviewable depending on type of cover)	Guaranteed
Proportionate Benefit	No	No	Yes
Rehabilitation Support Service	No	No	Yes
Terminal Illness Cover (life expectancy less than 12 months)	Yes	Yes	No
Waiver of Premium	Yes (additional cost)	Yes (additional cost)	Yes
Wellbeing Support (provided by RedArc Assured Limited)	Yes (Not available on Whole of Life Protection Plan)	Yes	Yes

As with all insurance policies, limitations and exclusions apply. Please refer to the Policy Booklet for more detail.

\* Minimum deferred period for driving based occupations

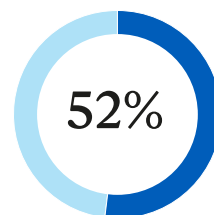
\*\* 65 for driving based occupations and 50 for fitness instructors / dance teachers

# Helping a business mitigate risk

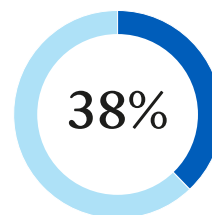
While many businesses focus on providing employee benefits, they may often overlook the need to protect the business itself. Perhaps some companies aren't fully aware of the risks, let alone the solutions.



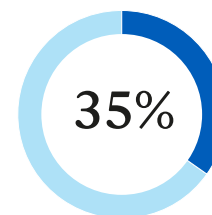
## The top 3 risks for a business



Death of an owner or key employee



Major contract loss



Owner or key employee suffering critical illness

Source: State of Nation Report 2021

## Considering key people

75%



of businesses have some form of business debt

6/10



would cease trading within 12 months of losing a key person

Every business is different, but protection for key employees can provide a vital safety net for any business. Help your clients identify and mitigate potential risks in their business, reducing uncertainty and ensuring they have the right protection in place.

## Why choose us?



### CPD academy

Earn structured CPD with our CII-accredited training, webinars and workshops.



### Research and insights

Keeping you up to date with our latest insights conducted with SMEs to understand the risks faced by businesses.



### Adviser Toolkits

Supporting you with practical tools, resources and market insights to aid your client conversations.



## Find out more [by visiting our website](#)

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