

STATE OF THE NATION'S SMEs.

Business Protection could help financially secure a business in the event of a death or critical illness of a key person or owner – which is why it's well worth talking about. We've conducted our research to help show the reality of what could happen. It's about starting the right conversations to acknowledge certain unforeseen risks, and to ensure you take steps to help protect your business. **Here are some of our key findings...**

UK SME MARKET

5.5m businesses

99% of businesses are SMEs

95.6% less than 10 employees

Entrepreneurs are starting new companies at a record pace of

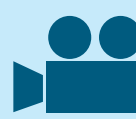


Source: StartUp Britain



How businesses were contacted by a financial adviser

19%
SEMINAR



25%
ACCOUNTANT
OR SOLICITOR



26%
SOCIAL OR
BUSINESS
NETWORK



15%
DIRECT MARKETING



84% who had Business Protection did so because of advice from a finance professional.

KEY PERSON PROTECTION

What event has the biggest impact on a business?

53% of businesses would cease trading in under a year if they lost an owner or key person.

39% said death or critical illness of a key employee or owner.

6% said premises broken into.

TOP REASONS FOR NOT HAVING COVER

32% hadn't considered it

18% haven't got round to it

17% assumed it's too expensive



BUSINESS LOAN PROTECTION

2/3 of businesses have some form of debt.

26% were not aware that a Director's Loan account needs to be repaid on death.

Average business borrowing is

£176,000



SHARE PROTECTION

Over 50% of business owners have left no instructions in a will or any special arrangements regarding shares.



IF SHAREHOLDER DIED...

- **21%** of beneficiaries would be active in the business
- **12%** of beneficiaries would take an income **BUT** not actively contribute to the business

RELEVANT LIFE PLANS

70% not heard of RLPs



After a brief explanation of RLP, **3/4** wanted to receive further information.

WITH BORROWING OVER £50,000

19%
Credit card

19%
Personal loan for business

20%
Director's loan account

30%
Overdraft

39%
Business loan

For further information about business protection, please contact your financial adviser.

Our research was commissioned and conducted between 10 and 17 October 2016. 815 interviews were conducted among different types of businesses (excluding PLCs) using an online panel of business respondents.

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