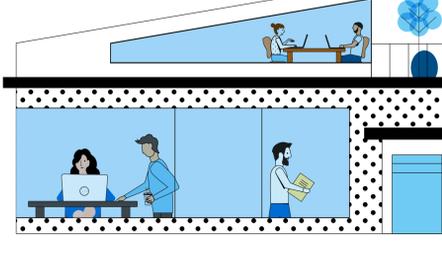


# Business Protection



## State of the Nation SMEs Report, 2021

Since 2009, we've been gathering insights from small and medium size businesses about the potential risks they may face, their awareness of risks, and how they as a business could mitigate them.



## Uncovering the risks to SME's

We spoke to a range of businesses throughout the UK – from limited companies and sole traders, to partnerships and limited liability partnerships.

The latest government's figures show of almost **6 million** private sector businesses

**96%** have **less than 10** employees



### Biggest concerns businesses currently face



Business recovering from Covid-19



Staying in business



Risk of another pandemic



Maintaining profits

## The impact of Covid-19

Almost half of businesses say maintaining profits is a major business concern for the future. With over one fifth of businesses stated recovering from Covid-19 was their immediate focus.



**54%**

For **over half** of businesses, Covid-19 has had a negative impact



**53%**

**More than half** of businesses say Covid-19 has made them more likely to consider protection



**75%**

**Three-quarters** of businesses have some form of borrowing, an increase since our last research...



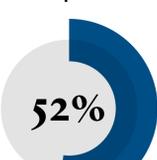
**24%**

... **almost a quarter** have also borrowed for Covid-19 finance

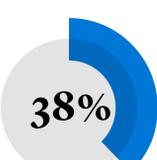
## Helping a business mitigate risks

The research explores the risks businesses may not be aware of, helping them understand and remove the uncertainty of risks to ensure they have considered the protection they need.

### The top 3 risks for a business



Death of an owner or key employee



Major contract loss



Owner or key employee suffering critical illness

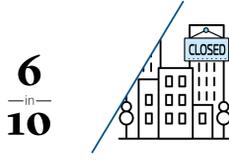
### Considering key people



of businesses recognise they have at least one key person



of businesses have some form of business debt



would cease trading within 12 months of losing a key person

## The growing need for protection

The UK SME market provides an opportunity for you to sell business protection, and the following highlights the changing needs and helps businesses identify their likely risks.

### How long has the business been established?



**One-third** of newer businesses would cease to trade immediately if they lost a key person



**8 out of 10** maturing businesses have some form of debt



If a business owner died, **1 in 5** established businesses would want other business owners to buy shares from their estate... but how will it be funded?

### Big business benefits, for small businesses

There's an opportunity to increase awareness and open discussions about the benefits of a Relevant Life Plan or Executive Income Protection with your business clients.



**64%**

**Almost two-thirds** have not heard of a Relevant Life Plan

**75%**

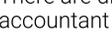
have **never heard** of a Relevant Life Plan or Executive Income Protection

**85%**

are **open to hear more** about the benefits of both of these plans once the basic details were explained

## The value of advice

There are different types of professional advice. Businesses are more likely to have an accountant than a financial adviser.



**4 in 10** businesses have a relationship with a financial adviser



Of those with any Business Protection, **73%** had taken out the cover following advice

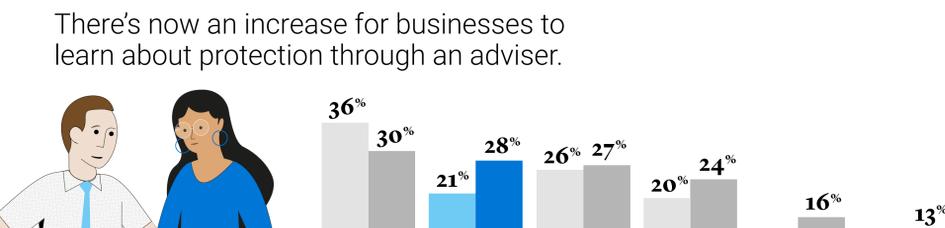


**97%** would look to professional advisers for advice



**20%** would prefer to learn from their own research

There's now an increase for businesses to learn about protection through an adviser.



## How Legal & General can help



### Our experienced UK wide team

We work with thousands of advisers like you every year to help grow the market and explore new opportunities



### CII Accredited webinars, training and workshops

Our resources are designed for you to get the most from the products and services we offer



### Here to support you

With expert training and educational resources, to help with technical sales queries on our products or services



### Award winners

Don't just take our word for it, we've won numerous Business Protection awards\*

## Take a look at our full State of the Nation report, to help you start the conversation around business protection

[adviser.legalandgeneral.com/businessprotection](https://adviser.legalandgeneral.com/businessprotection)

Source: This report is based on a survey of over 500 small businesses throughout the UK. It was carried out by Savanta in June 2021, an independent market research consultancy

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