



# Key Person Protection

Keeping your business healthy

**Business Protection:** For small  
and medium sized businesses

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# Key Person Protection in a nutshell

Key Person Protection could help protect your business against the impact of critical illness, injury, terminal illness or death of your most integral employees, depending on the chosen plan.

The policy proceeds are paid directly to the business helping your business to continue trading.

Unexpected death, illness or injury can be an unavoidable part of life – but financial worry needn't be.

**Simply put, its  
protection that helps to  
keep a business healthy.**



## How it makes a difference

It's never nice to contemplate worst case scenarios, but the sad reality is that the loss of a key person in your business could have a severe impact.

The benefit helps compensate for the loss of their skill, knowledge, experience, or leadership. It can be used to address a reduction in gross profits, meeting the costs of hiring a replacement employee, or support for ongoing loan repayments.



### Who is a key person?

It can apply to any individual deemed to be critical to your business, here are some roles that are typically covered by the policy:

- Owner/founder
- CEO
- Operations manager
- IT manager
- Web developer
- Sales lead
- Employees with lots of contacts
- Exceptional talents



### What does it help protect?

After the loss of a key person, it could help with the following situations:

- Loss of profits
- Having to recruit or train a replacement
- The loss of important personal or business contacts due to the key person not being there to maintain a contract
- Customers and suppliers losing confidence in the business
- Outstanding loans

# Understanding the importance

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

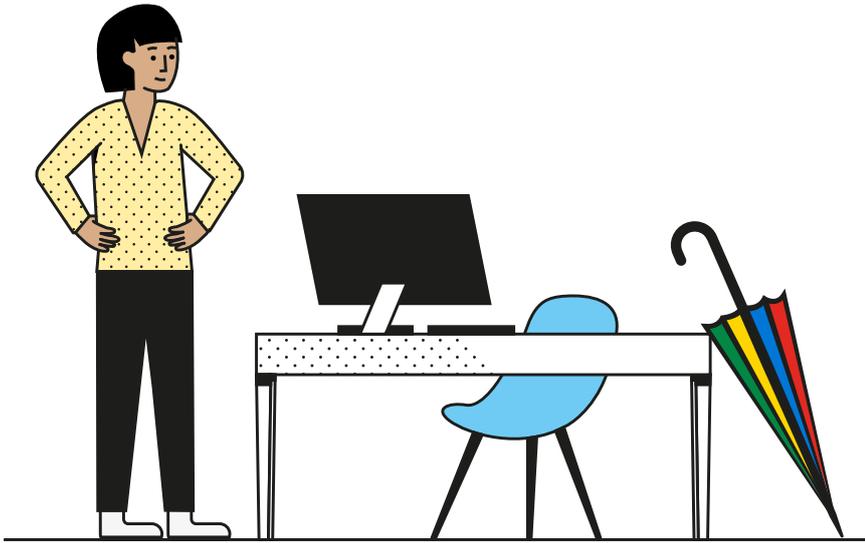
Many businesses consider the employee benefits they offer, yet may overlook the need to protect the business.

Perhaps some companies aren't fully aware of the risks, let alone the solutions. But the truth is,

key people and their contributions are pivotal to success, so protecting them is a sound business move.

And it doesn't stop there, Key Person Protection can provide valuable support and help to the employee and their immediate family with our specialist support services, helping to reduce the impact of a loss of a key person at a time of financial uncertainty.





# How it works

## We offer three types of policies:

- Key Person Protection (Life Insurance)
- Key Person Protection (Life Insurance with Critical Illness Cover or Critical Illness Extra)
- Key Person Income Protection

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

In the event of a claim, the proceeds from the policy can be used to address a reduction in gross profits, hire a replacement employee, or support with business debt.

Your adviser can help you choose the most suitable policy. Terms & Conditions apply.



# Why consider Key Person Protection?

It's one way to safeguard your business against the death, terminal, critical illness or injury of a key person in your organisation, depending on the plan chosen.

This money could significantly help the business to recover; for example, the proceeds can be used to help replace lost revenue, or with finding and hiring a replacement.

You could take out Key Person Protection for one of the following business needs. While you may choose to purchase a plan with just one of these protection concerns in mind, you could make a claim for any one of these.



## Profit protection

Key people are often responsible for generating a significant proportion of profits for a business. Protecting them can provide the business with peace of mind that if a key person dies, is critically ill or gets injured, a proportion of any lost profits will be covered. This depends on the plan chosen.



## 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

Covers the part of the repayments and related interest to a business mortgage or loan, which relate to the contribution of the key employee.



## When should you take it out?

If your business is growing, there is no right or wrong time to take it out.

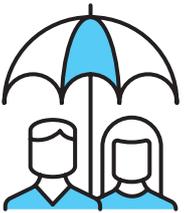
A start-up company may be dependent on one or two individuals who are fundamental to the business's success. A larger company may have greater resources and the ability to substitute key staff with other personnel.

However, established companies have larger overheads, so if the loss of one individual affects revenue, the consequences for the business could be serious.

**Every business is different, but protection for your key employees can provide a vital safety net for your business.**

# What our plans offer

Business needs are broad and can't necessarily be protected with a single policy. Take a look at the table to see the differences between the various plans.



## Life Insurance

Designed to pay out a cash lump sum if a key person dies while covered by the policy, to help the company cope with this loss.



## Critical illness cover

Helps a business by paying out a cash lump sum should a key person be diagnosed with a critical illness that is covered by the plan, such as specified types of cancer, stroke, heart attack or multiple sclerosis.



## Income protection

When a key person is unable to work due to illness or injury, the absence of their contribution to the business can result in financial difficulties. However, income protection is designed to pay you a monthly benefit to help the business remain financially secure.

	<b>Key Person Protection</b> (Life Insurance)	<b>Key Person Protection</b> (with Critical Illness Cover or Critical Illness Extra)	<b>Key Person Income Protection</b>
<b>Accidental Death Benefit</b>	Yes	Yes	No
<b>Changing your policy</b> (Guaranteed Insurability Option). <i>Eligibility criteria applies</i>	Yes	Yes	Yes
<b>Deferred period</b> (1st payment is made 4 weeks after the deferred period ends)	N/A	N/A	4, 8*, 13, 26 or 52 weeks
<b>Hospitalisation Benefit</b>	No	Yes	No
<b>Increasing cover</b> (Eligibility criteria applies)	Yes	Yes	Yes (Unavailable if cover is to meet loan repayments)
<b>Linked Claims</b>	No	No	Yes
<b>Maximum age at expiry</b>	64 – Policy must end by 70th birthday	64 – Policy must end by 70th birthday	70**
<b>Premiums</b>	Guaranteed	Guaranteed (reviewable depending on type of cover)	Guaranteed
<b>Proportionate Benefit</b>	No	No	Yes
<b>Rehabilitation Support Service</b>	No	No	Yes
<b>Terminal Illness Cover</b> (life expectancy less than 12 months)	Yes	Yes	No
<b>Waiver of Premium</b>	Yes (additional cost)	Yes (additional cost)	Yes
<b>Wellbeing Support</b> (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. Speak to your adviser, or 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

# Support with Umbrella Benefits

Going further by offering your key person and their immediate family access to our range of services that provide practical and emotional support, depending on the policy chosen. This is included as standard, at no extra cost.





## Wellbeing Support

We want to look after the wellbeing of your key employee, and their immediate family. That's why we've partnered with RedArc Assured Ltd and their registered nurses, to provide personalised practical and emotional support.

Their experienced registered nurses can help with a wide range of mental or physical health concerns,

including arranging a second medical opinion if a key person is dealing with a serious illness.

Everybody's needs are different, and so each support route will be too. Whatever the employee situation, Wellbeing Support is just a phone call away.



## Rehabilitation Support Service

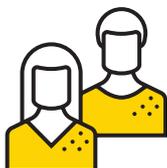
Available only with Key Person Income Protection, this is automatically included at the point of claim. The service provides the key person who is ill or injured, access to in-house specialists for early intervention treatments. This can help with a wide range of physical or mental-health related concerns.

Our team of UK wide in-house clinical healthcare experts are equipped to fully manage employee

absence from start to finish. We can also provide them with support from specialist healthcare partners.

Available every step of the way during recovery, they'll work with the key person to create a tailored plan that supports their quicker return to work and good health.

# Why choose us?



We've been helping customers like you for over 180 years – so you can rely on us.



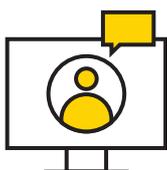
We're a specialist provider for SMEs, with a complete suite of Business Protection products.



You can tailor your plan around your business needs.



In 2022 we paid out over £883 million in claims to support individuals and their families.



If you need to make a claim, we're here to help you every step of the way.





# Speak to your adviser to find out how Key Person Protection could work for you.

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Registered office: One Coleman Street, London EC2R 5AA. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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