

Haighwood Financial Services

Family Financial Planning • Corporate Financial Solutions

for your business

What we can help you with:

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- *We can help you to carry out a protection gap assessment and to take appropriate action to economically and tax efficiently close it*
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Succession Planning: Protecting your business



Is your business at risk?

As a business owner, you are critical to the continued success of your organisation.

If you or your co-owner were to become seriously ill or die, it could lead to serious problems:

- *If you are a sole trader, your business could fold if you were no longer around to run it, which could have a life-changing impact on those left behind*
- *The death or serious illness of any key employees could affect the revenue and profitability of your business.*

With our help and some sound planning these issues can be avoided.

Death or Serious illness of a business owner

A business owners death or serious illness (causing permanent or extended absence) could result in a loss of business revenue.

This, in turn, might lead to:

- *Reduced profits (or increased losses) for the business*
- *Reduced income for the owner and/or their family*
- *Difficulty in repaying business debts (including those owed to the deceased/ill owner)*
- *Loss in confidence among suppliers, clients and lenders*
- *Loss of clients*
- *Difficulty in meeting ongoing costs*
- *Increased costs (eg recruitment)*

How to protect your business ...

The financial problems that might arise from an owner's death can often be solved through appropriate insurance. Typically, the business would take out the insurance. However, depending on the type of business you have, careful planning may be needed when it comes to setting up and holding the chosen insurance policies.

The cost of the cover will depend on a number of factors including:

- *The sum insured*
 - *Terms of the cover*
 - *Age and state of health of the insured*
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Business ownership challenges caused by death

If you own your business with others (as a shareholder or partner), you should plan for what would happen to your share of the business should you die unexpectedly.

Without appropriate arrangements in place the future of your business could be determined by Inheritance law. In the worst case scenario, this could mean that the surviving co-owners cannot continue to run the business themselves and the deceased's family do not receive the financial compensation.

How to protect against this ...

You can control what happens to your share of the business by having life policies in place for each of the business owners. Properly planned and executed, this will provide a tax-free lump sum that allows the owners to purchase and continue to run the business. The family of the deceased will receive the proceeds of the sale.

Where the share of the an owner will be left to a family member or members without payment, there may still be a need for a life insurance held in trust to 'compensate' another family member(s) who do not benefit from the business share.

Where the share of a deceased partner might automatically pass to the other partners without payment, life insurance in trust is usually needed to financially compensate the family of the deceased.

Serious Illness of a business owner

If a serious illness causes an owner's long term or permanent absence from work, it could create the same serious financial pressure as those caused by an owners death.

Depending on the specific circumstances, there may be a need to consider the future ownership of that share in the business.

Each case will be different. For example, the seriousness of the illness, the ability (and desire) of the owner to return to work and the feelings of the co-owner, will all require consideration.

Having the correct insurance policy will allow funds to be available should the affected business owner choose to sell their share. It could also provide finance to pay the ill owners income and cover some of the other financial needs such as revenue replacement, debt repayment or additional expenses.

Death or serious illness of a key employee

This is something that can also have a significant influence on your business revenue and profit and it is important to out protection in place to prevent any financial damage this might cause.

An insurance policy often referred to as a Key Person Insurance can be taken out on the life or health of such an employee. This may be appropriate where the individual's knowledge, work, or overall contribution is considered uniquely valuable to the company. It can cover the costs or losses that may be caused by the loss of that person.

Incentivising your key employees

These are additional insurance products you might want to consider offering your key employees as part of their reward package, including:

- *Healthcare*
- *Income replacement/protection cover – for times when they are absent from work due to long term sickness*
- *Family protection insurance – by the way of relevant life policy (death in service). Proceeds of the policy would usually be paid free of any Inheritance Tax under a trust to your employee's family.*

Sole Traders

If you are a sole trader, your death or serious illness could have a disastrous financial consequence for both you and your family. Appropriate life insurance that pays out on death or serious illness can help you and/or your family replace the money which would no longer be available from the business.

In order to arrive at the right amount of cover, its essential to carefully plan what you and your family would need. Writing the policy in trust will help ensure funds are paid promptly to the beneficiaries.



Business Health care.

Steps to a happier, healthier and more productive business.

As no two businesses are the same, we provide you with cover that's tailored to your specific needs. With the help of Vitality you can inspire positive behavioural change, building a healthier more engaged and more productive workforce, no matter what your business size.

Vitality GP



Offering private GP video consultations within 48 hours (subject to opening times) and more.

Consultant Select



Giving your clients complete peace of mind, by putting their employees' treatment path in the hands of the consultants.

Full Cover Promise



We promise to pay all in-patient and day-patient consultant and anaesthetist fees, as long as the treatment is eligible on your client's plan and the consultant is recognised by us.

Engagement savings



The more your clients' employees improve their health, if their plan has a status-linked excess, the lower the excess they pay. Plus employers can get up to 10% of their annual premium back the following plan year with Employer Cashback.

Core Cover

Comprehensive Core Cover gives your business clients the peace of mind that, should their employees ever need it, they'll enjoy fast access to high-quality in-patient and day-patient diagnosis and treatment, meaning that they can return to health and work more quickly.



Cover options

We work alongside Vitality to help protect create a plan that suits your employee's needs and your budget. This is a tailored to your organisation and offers a holistic approach to workplace wellness. You can tailor your plan by adding additional cover options, such as out-patient cover, Therapies cover and more for your employees.

Consultant Select

Consultant Select will ensure that your client's employees get referred to the most appropriate consultant in a suitable location to suit their needs without the worry of choosing a consultant themselves. Our panel of consultants are all independently selected and regularly audited to ensure they always offer the highest standards of care.

Vitality Status-Linked Excess

With the Vitality Status-Linked Excess, the more an employee and their adult dependants improve their health and improve their Vitality status, the less excess they pay. Employers benefit from lower premiums and a healthier workforce, plus employees can reduce their excess to £0 if they engage with our Vitality partners

Or add a hospital list to their plan

Alternatively, you can leave your client's employees to choose their consultant, as long as they are recognised by us. Our Local, Countrywide or London Care lists of leading UK hospitals also give your employees as much control and flexibility as they need over where they want to be treated.

Employer Cashback

Employee engagement in health and wellbeing can be directly influenced by their employer. Our unique Employer Cashback offers a direct incentive to employers to drive greater engagement amongst their employees. As a reward for encouraging their employees to take part in the Vitality wellness programme and increasing their Vitality status, employers can get up to 10% of their annual premium (excluding IPT) back the following plan year.

Partners and Rewards

As well providing award winning healthcare, our health and reward partners help you and your employees understand their health as well as making it cheaper and easier to get healthier with a range of discounts and rewards.

For further details about these benefits please get in touch.



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