



WESTCOTTS

CHARTERED FINANCIAL
PLANNERS

Business Resilience & Protection Service

10 ways to help protect you, your business and the income you derive from it.

1 LLP Conversion & Incorporation



- Can limit personal liability & protect personal assets
- Offers business owners more tax efficient remuneration options, e.g. payment by way of dividends
- Can make businesses more saleable and more attractive to certain suppliers and customers
- Can allow business owners to receive larger pension contributions and use unused annual allowances
- Allows the business to pay for personal life cover for the business owner, tax-free

2 Partnership & Shareholder Agreements



- Can help avoid future disputes and litigation between business owners
- Clarify what happens when business owners die or suffer a serious illness to the business owner
- Provide significant protection for business owners' spouses and partners
- Provide comfort for banks and other lenders, potentially speeding up lending decisions

3 Make a Will & appoint an Attorney



- Dying intestate (without a valid Will in place) can be disastrous for a business
- Business owners' Wills must take account of their business interests
- Appointed Attorneys ensure business as usual, where business owners suffer a sudden serious illness or accident
- Lasting Powers of Attorney (LPAs rules) are robust, protecting against misuse
- LPAs must be registered at the outset with the Office of the Public Guardian
- Choosing of the correct Attorneys is vital

4 Partnership & Shareholder Protection



- Ensures the means (cash flow) to buy out surviving spouses and partners
- Avoids businesses having to raise money to settle an unexpected pay out
- Avoids uninvolved surviving spouses/partners having to retain an interest in the business
- Subject to medical underwriting, so may not be available to all

5 Business Loan Protection



- Allows for the immediate repayment of business loans, overdrafts and finance in the event of the business owner's death or critical illness
- Relatively low cost, especially for younger business owners
- Subject to medical underwriting, so may not be available to all

6 Key Person Insurance



- Allows business owners to mitigate the impact on profit of the sudden death or critical illness of a key employee
- Incapacity and income protection can be arranged for key persons subject to underwriting
- Provides the means to cover the cost of recruitment, training and temporary loss of trade
- Well perceived by the key employees, as well as by banks and other lenders

7 Relevant Life Plans



- Company funded, tax-free personal life cover, for directors and key employees
- Can be provided in addition to group life cover
- May be appropriate for companies with too few employees to set up group life cover
- Available to limited companies, partnerships or charities
- No probate delay in the event of a claim as written 'in trust' from inception
- A fully allowable business expense
- Individually medically underwritten, so may not be available to all

8 Income Protection Insurance



- Replaces income in the event of prolonged ill-health or incapacity
- If a limited company it can include salary, bonuses, dividends, P11D benefits and monthly employer pension and NI contributions.
- Monthly benefit payable in the event of a valid claim, potentially to retirement age
- Cost depends on nature of occupation, age, health and waiting period
- Allows for multiple claims to be made

9 Private Medical Insurance



- Group Cover is normally much better value than individual cover
- If paid for by the employer it should be a fully allowable business expense
- Minimises the impact on the business by allowing immediate access to medical treatment of acute conditions. It will not normally cover chronic conditions
- Choice often available of Comprehensive cover or a cheaper 'Waiting List' option
- Pre-existing conditions may be excluded
- Treated as a benefit-in-kind
- For members only or for members and their family

10 Critical Illness Cover



- Allows immediate repayment of business or personal debt if you suffer a serious illness
- Can cover the cost of recruiting and training temporary staff
- Provides a tax-free lump sum within weeks of a valid claim
- Subject to medical underwriting, so may not be available to all
- Treated as a benefit-in-kind

Information & Support

At Westcotts we have a wealth of experience and expertise in helping businesses protect themselves. We can either help you to address one or more specific areas, or can devise a comprehensive Business Resilience & Protection Report, which will outline our bespoke detailed recommendations to suit your particular requirements and circumstances.

To arrange a no-cost, no obligation initial consultation please speak to your usual Westcotts contact or contact:

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