

Business needs risk assessment

This document is written to help both the adviser and their business owner client understand the financial risks that might exist within the business.

This assessment will help you identify the potential financial risks the business could face if a 'disturbance' happened. A 'disturbance' is an event that could have significant consequences for the business, such as the premature death or critical illness of a person who is key to the business.

This assessment can be carried out by any business owner – a sole trader, partner, shareholder or director. Your financial adviser will be able to assist in building a tailored plan to meet the specific needs of the business.

What solutions does the assessment support? It will make sure that:

- any business loans are repaid – think of this as 'mortgage cover for business'.
- the necessary funds are available to the business following the death or critical illness of a key individual – think of this as 'disturbance cash'. This will allow the business to
 - overcome the loss of profit triggered by the loss of a key individual; and
 - have the funds to seek a direct replacement.
- control of the business stays with the business after the death or critical illness of a shareholder or partner – think of this as providing a 'control mechanism' for the business which allows the family to inherit 'pounds not paper'.

How many directors / shareholders / partners / members are there in the business?	
---	--

Debt protection			
Does the business have any loans or other business debt that would need to be repaid on the death of one or more of the business leaders? Do not overlook Directors' Loan Accounts if these exist.	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
Is the debt the responsibility of one or all the business leaders?	One	<input type="checkbox"/>	All <input type="checkbox"/>
Would the business be able to repay these debts on demand from readily available cash?	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
How would the business raise the funds to repay the debt and from what source?			

Continuity protection

How many of the management team fulfil vital roles that would place the business at risk if they were not around?			
Are there any other individuals on whom the business relies and who make a significant contribution to the profitability and success of the business?	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
If yes, how many			
Is the business protected against the loss of this individual/these individuals following death or critical illness?	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
Is there likely to be readily available cash within the business to maintain profits while a replacement is recruited?	Yes	<input type="checkbox"/>	No <input type="checkbox"/>

Succession protection

How are the business shares split between the business leaders?			
What would be the impact of one of the business leaders dying suddenly or being unable to work because of serious ill health?			
Is there a succession plan in place to overcome the loss of directors/partners/members, either to premature death or a critical illness?	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
How would the directors/partners/members retain control of the business after the death or serious illness of their colleague?			
Has the business put a financial plan in place to ensure the directors/partners/members receive an appropriate payment for their business share?	Yes	<input type="checkbox"/>	No <input type="checkbox"/>
What financial resources would be readily available to fund the purchase of the business shares of deceased or sick directors/partners/members?			

AIG can only give guidance on its products. This document does not constitute financial advice. For advice on matters relating to your business, please speak to your professional adviser.

AIG Life Limited. Telephone 0345 600 6820. Registered in England and Wales. Number 6367921. Registered address: The AIG Building, 58 Fenchurch Street, London EC3M 4AB. AIG Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The registration number is 473752.