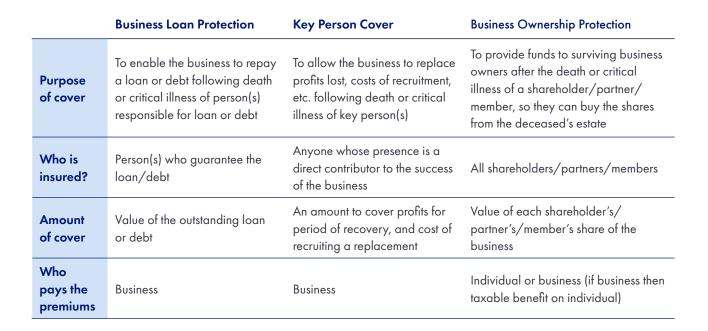


**Business Protection** 

# Quick reference guide



Business Protection
Types of cover



## How to determine amount of cover



**Business Loan Protection** 

1 person to be covered Can have cover equal to loan/debt

**2-4 people to be covered** Can have cover equal to loan/debt Up to max. £1.5m life/£1m CI each

**5+ people to be covered** Split total cover proportionately



Key Person Cover

2 ways to calculate maximum cover Salary x10 (Life) Salary x No. years to age 68 (CI)

or

Up to 5 x attributable net profit (average over last three years)



**Business Ownership Protection** 

 $\checkmark$ 

Calculate the business value Up to 7x net profit (average over last three years)

then

Value of the business split proportionately between shareholders/partners/members

NB - these are indications of the calculations you can perform for your clients. If you and your clients calculate a higher amount, our underwriters can take account of the criteria you have used.

#### **Business Loan Protection**

## Structure/tax implications

	Limited Company/LLP	Ordinary (Simple) Partnership	Sole Trader
Cover owner	Business (life of another)	Partner (own-life)	Sole Trader (own-life)
Trusts	$\otimes$	Personal trust <sup>1</sup>	Personal trust <sup>*</sup>
Premiums paid by	Business	Business	Business
Premiums tax deductable?	$\otimes$	$\otimes$	$\otimes$
Benefit taxable?	$\otimes$	$\otimes$	$\otimes$
P11D/ Benefit-in-Kind?	$\otimes$	$\otimes$	$\otimes$

#### Key Person Cover

## Structure/tax implications

	Limited Compa	ny / LLP	Ordinary (Simp	ole) Partnership	Sole Trader
Cover owner	Business (life of another)		Partner (own-life)		Sole Trader (own-life)
Trusts	$\otimes$		Personal trust <sup>2</sup>		Personal trust <sup>2</sup>
_	Business		Business		Business
Premiums paid by	lf 'Anderson Principles' <b>apply</b>	If 'Anderson Principles' <b>don't apply</b>	lf 'Anderson Principles' <b>apply</b>	If 'Anderson Principles' <b>don't apply</b>	
Premiums tax deductable?	$\oslash$	$\otimes$	$\odot$	$\otimes$	$\otimes$
Benefit taxable?	$\oslash$	$\otimes$	$\odot$	$\otimes$	$\otimes$
P11D/ Benefit-in-Kind?	$\otimes$	$\otimes$	$\otimes$	$\otimes$	$\otimes$

<sup>1</sup> Unless policy needs to be assigned to the lender (e.g. a bank).

<sup>2</sup> Please refer to our **Business Protection Guide to Trusts** for further information.



## **Business Ownership Protection**

# Structure/tax implications

	Limited Compa	ny/LLP	Ordinary (Simp	ole) Partnership	Sole Trader
Cover owner	Shareholder/Member (own-life)		Partner (own-life)		$\otimes$
Documentation	Business Trust + Option Agreement		Business Trust + Option Agreement		$\otimes$
Premiums paid by	Shareholder/ Member	Business	Partner	Business	$\otimes$
Premiums tax deductable?	$\otimes$	$\odot$	$\otimes$	$\odot$	$\otimes$
Benefit taxable?	$\otimes$	$\otimes$	$\otimes$	$\otimes$	$\otimes$
P11D/ Benefit-in-Kind?	$\otimes$	$\oslash$	$\otimes$	$\oslash$	$\otimes$



\*Other options can be available – please refer to our **Business Protection Adviser Guide** for further information.

### **Business Protection**

# Key features and benefits

	<b>⊕</b>	$\bigcirc$
	Business Term Assurance	Business Critical Illness with Term Assurance
Who can take out cover?		
Single life	$\odot$	$\odot$
Joint life	$\oslash$	$\oslash$
Dual life	$\odot$	$\odot$
Life of another	$\odot$	$\odot$
Renewable term 5 or 10 years	$\odot$	$\odot$
Joint life second event	$\otimes$	$\otimes$
Joint life separation	$\otimes$	$\otimes$
Minimums and maximums		
Age at entry	17-86	17-75 <sup>°</sup>
Maximum expiry age	89	85
Waiver of Premium age at entry	17-54	17-54
Waiver of Premium maximum expiry age	69	69
Min/max deferred period for Waiver of Premium	26 weeks only	26 weeks only
Minimum term	3	3
Maximum term	70	50
Minimum sum assured	£10,000	£10,000
Maximum sum assured	Up to £98m	Up to £5m

<sup>\*</sup>54 for renewable term.

	Business Term Assurance	Business Critical Illness with Term Assurance
Benefits		
Death	$\odot$	$\odot$
Terminal illness	$\odot$	$\odot$
Critical illness	$\otimes$	$\odot$
Children's critical illness cover	$\otimes$	$\oslash$
Pregnancy complications	$\otimes$	$\odot$
Total permanent disability	$\otimes$	Optional
Free immediate cover during underwriting	$\odot$	$\odot$
Smart Health	$\odot$	$\odot$
Waiver of Premium	Optional	Optional
Guaranteed insurability options		
Increase in shareholding or share value	$\odot$	$\odot$
Increase in value of key person	$\odot$	$\odot$
Increase in business loan	$\odot$	$\oslash$
Business loan term extension	$\odot$	$\odot$
Other options		
Indexation	$\odot$	$\odot$
Online trusts	$\odot$	$\odot$



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