
KEY PERSON INSURANCE CASE STUDY EXAMPLE

Ian is the managing director of a private limited company. Within his business, sales revenues were doing well and much of this was down to the work of his sales director Stephen and his team. His skills meant many accounts had been added, including a contract that guaranteed expansion for the next five years.

Unfortunately Stephen was in a road accident and passed away. Initially, Ian's thoughts turned to Stephen's family and whether or not they would be financially looked after; thankfully the death in service policy and his pension were there to protect his beneficiaries – thank goodness for insurance!

Ian then went on to think about the implications of Stephen's death on the future of the business.

To many of Ian's clients, Stephen was the company - will his death mean loss of sales and loss of new accounts? Loss of sales will have a detrimental effect on cash flow, profits and turnover.

Stephen was clearly a key employee and Ian had to face the reality that his death could also be fatal for the business. Ian could replace Stephen's company car because it was insured, but Ian had neglected to put in place any protection for the business and had not even considered where the areas of risk and protection gaps were within his business.

A cash injection from a life assurance product on Stephen's life would replace lost revenue, pay off outstanding loans, and even cover the cost of recruiting a replacement. Most importantly, it could give Ian's company the financial breathing space it needs to reassess its strategy and refocus its remaining resources.

Can you relate to Ian? How would you feel if the company you had devoted so much time and effort to suddenly faced an uncertain future due to the loss of a key employee?

For more information on how to protect your business against such uncertainty and provide your employees and your clients with complete peace of mind, please do get in touch with one of our specialist financial planners at Brunel Wealth.

**Names and exact circumstances have been changed to protect the confidentiality agreement with our clients.*



WWW.BRUNELWEALTH.CO.UK

Brunel Wealth Limited is an appointed representative of Best Practice IFA Group Limited which is authorised and regulated by the Financial Conduct Authority. Company registered in England number 12281992. Registered office: 3 Temple Quay, Temple Back East, Bristol BS1 6DZ

