

Key Person Protection

A quick guide

Every business has employees whose skills, knowledge, experience or leadership make a big contribution to its success. And if lost, there could be an immediate financial impact.

Key Person Protection can help businesses protect against the financial impact of losing a key persons due to critical illness, injury, terminal illness, or death, depending on the chosen plan.

The benefit can address a reduction in profits, the need to recruit a replacement, outstanding loans, and the loss of important personal or business contacts that could affect customer confidence in the business.

Reasons to recommend



Profit protection

Key people are often responsible for generating a significant proportion of profits for a business. Protecting them can provide peace of mind that a proportion of any lost profits will be covered.



Replacement cover

Finding a replacement employee can be challenging. Business owners can choose to cover the cost of finding a replacement, or a temporary replacement if a Key Person Income Protection plan is chosen.



Loan protection

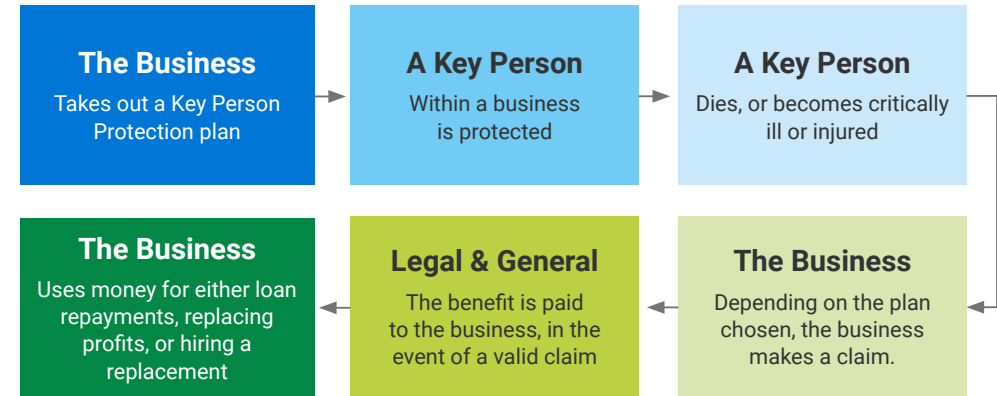
This covers part of the repayments and interest associated to a business mortgage or loan, specifically relating to the contribution of a key employee.

For Adviser use only



How it works

The policy is owned and paid for by the employer, so any pay-out or monthly benefit is payable to the employer.



Cover to suit your clients business needs



Tailor the plan around the business needs, with a choice of three products.



Level or increasing cover to help protect against inflation. Eligibility criteria applies.



Changing your policy option without further medical questions. Eligibility criteria applies.



Access to our range of support services, all included as standard, at no extra cost.*

* Wellbeing Support provided by Red Arc Assured Limited is available on all 3 plans. Rehabilitation Support Service available only on Key Person Income Protection.

What our plans offer

Business needs are broad and can't necessarily be protected with a single policy. That's why we offer three types of policies. Take a look at the table to see the differences between the various plans.

| | Key Person Protection (Life Insurance) | Key Person Protection (Life Insurance with Critical Illness Cover or Critical Illness Extra) | Key Person Income Protection |
|--|--|---|---|
| Accidental Death Benefit | Yes | Yes | No |
| Changing your policy (Guaranteed Insurability Option). <i>Eligibility criteria applies</i> | Yes | Yes | Yes |
| Deferred period (1st payment is made 4 weeks after the deferred period ends) | N/A | N/A | 4, 8*, 13, 26 or 52 weeks |
| Hospitalisation Benefit | No | Yes | No |
| Increasing cover <i>Eligibility criteria applies</i> | Yes | Yes | Yes (Unavailable if cover is to meet loan repayments) |
| Linked Claims | No | No | Yes |
| Maximum age at expiry | 77 – Policy must end by 90th birthday | 67 – Policy must end by 75th birthday | 70** |
| Maximum Cover | £10,000,000 (subject to underwriting) | - £3,000,000 (SWT definition) - £2,000,000 (Own Occupation definition) | - £20,833 a month - £250,000 a year (level plans) - £14,583 a month - £175,000 a year (Increasing) |
| Premiums | Guaranteed | Guaranteed (reviewable depending on type of cover) | Guaranteed |
| Proportionate Benefit | No | No | Yes |
| Rehabilitation Support Service | No | No | Yes |
| Terminal Illness Cover (life expectancy less than 12 months) | Yes | Yes | No |
| Waiver of Premium | Yes (additional cost) | Yes (additional cost) | Yes |
| Wellbeing Support (provided by RedArc Assured Limited) | Yes (Not available on Whole of Life Protection Plan) | Yes | Yes |

As with all insurance policies, limitations and exclusions apply. Please refer to the Policy Booklet for more detail.

* Minimum deferred period for driving based occupations

** 65 for driving based occupations and 50 for fitness instructors / dance teachers

Helping a business mitigate risk

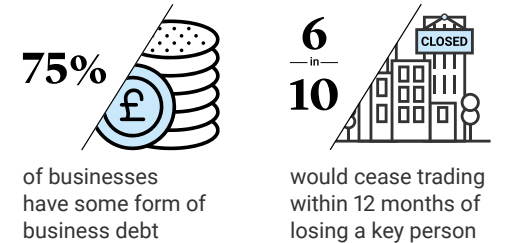
While many businesses focus on providing employee benefits, they may often overlook the need to protect the business itself. Perhaps some companies aren't fully aware of the risks, let alone the solutions.

The top 3 risks for a business



Source: State of Nation Report 2021

Considering key people



Every business is different, but protection for key employees can provide a vital safety net for any business. Help your clients identify and mitigate potential risks in their business, reducing uncertainty and ensuring they have the right protection in place.

Why choose us?



CPD academy

Earn structured CPD with our CII-accredited training, webinars and workshops.



Research and insights

Keeping you up to date with our latest insights conducted with SMEs to understand the risks faced by businesses.



Adviser toolkits

Supporting you with practical tools, resources and market insights to aid your client conversations.



Find out more

If you want to know more about our suite of Business Protection products, please speak to your usual Legal & General contact.

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