

HIDDEN RISKS

Are you protecting the human capital behind your business?

Many organisations take steps to protect their business against major risks, but often overlook one important factor; the people working there.

From protecting share ownership to insuring against the ramifications of losing a key stakeholder, it is important for businesses to consider the hidden risks attached to their senior leadership.

“Business protection is fairly underutilised within the UK, leaving many businesses underinsured and exposed to risk attached to their key stakeholders. It should be viewed as an investment in the future of a business, and provide a safeguard for long-term security.

Wesley McCranor, Head of Protection



Why should companies act?

- > A reliance on key stakeholders leaves a business exposed to immeasurable risk should they become ill or absent
- > Director loans can be a point of financial vulnerability if the guarantor becomes unable to repay the debt or immediate repayment is required in the event of their death
- > The passing of a majority shareholder may result in remaining shareholders losing business control to inexperienced individuals or even a competitor

How can companies reduce risk?

- > Implement Key Person Insurance: cover for the loss of an individual due to diagnosis or critical illness, which provides an injection of capital to offset lost revenue, fund a replacement, and reduce financial pressure
- > Purchase Loan Protection: a fund which enables a company to repay a commercial mortgage, overdraft or loan
- > Invest in Shareholder Protection: ensures control of the company resides with the remaining shareholders in the event of a business owner's death; reducing the likelihood of financial uncertainty or shareholder mismanagement

For more information on the issues raised here, get in touch at contact@pib-eb.com.



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