

Attention:  
**BUSINESS  
OWNERS**

# Lifestyle

Financial Planners

## **BUSINESS PROTECTION**

- IS IT SOMETHING YOU NEED TO CONSIDER?

### **Keyperson Cover..... *it makes sense!***

Why do companies insure their buildings but few look to protect their most important assets, even when the odds, clearly suggest otherwise?



At the end of 2018, there were **223,013 IRISH COMPANIES** in existence on the CRO Register.

(Source: Company Registration Office Annual Report 2018)



In 2017, the Irish Fire Brigade attended **285 FIRES IN COMMERCIAL BUILDING** and **330 FIRES IN INDUSTRIAL BUILDINGS.**

(Source: Statcentral.ie/housing.gov.ie 2017 Particulars of Fire attended by the Irish Fire Brigade)  
That's **615 buildings out of 223,013** or in other words **0.28%** of a claims record in the event of a fire.

Yet **1 IN 5 OF US** working people die before we reach 65!



(Source: CSO report, Men and Women in Ireland, 2011)

A company insures its building ... its machinery and stock. But often management and personnel skills are the most important assets!

### **QUESTIONS TO ASK YOURSELF ABOUT KEYPERSON COVER**



- Do you have a key employee whose death or serious illness would impact the profits / success of your business?
- Do you have a key employee who would need to be replaced urgently if they died or suffered a serious illness?
- Does your business owe money that would have to be repaid on your death or on the death of a key employee?

When you set up your business you thought of all the eventualities, but did you insure your ***most important assets?***

# Shareholder Protection..... *it makes sense!*

## DO YOU KNOW SOMEONE IN BUSINESS THAT DIED OR SUFFERED A SERIOUS ILLNESS RECENTLY?

The odds of one partner in a 2 or 3 man business dying or becoming seriously ill before retirement are probably a lot higher than you might think.

ODDS OF ONE DYING BEFORE 65			
Age	One man	Two men	Three men
40	12%	22%	32%
45	11%	21%	30%
50	10%	19%	30%
55	8%	16%	28%

(Source: CSO life tables (Ireland) 2010 - 2012)

ODDS OF ONE DYING OR BECOMING SERIOUSLY ILL BEFORE 65			
Age	One man	Two men	Three men
40	24%	42%	55%
45	22%	39%	53%
50	20%	36%	48%
55	16%	30%	41%

(Source: CSO life tables (Ireland) 2010 - 2012. Critical Illness tables (IC94) first published by the Society of Actuaries Ireland, 1994)

## QUESTIONS TO ASK YOURSELF ABOUT SHAREHOLDER PROTECTION



### IN THE EVENT OF THE DEATH OF YOUR BUSINESS PARTNER:

- What will happen to their share of the business?
- Will the deceased's family join the business?
- What will be the impact of such a new inexperienced partner?

### IN THE EVENT OF YOUR DEATH:

- What will happen to your shareholding?
- Are your spouse/children in a position to take your place in the business?
- How will your business partners react?
- How will your family survive financially?

**Does business protection make sense for your business?**

The material in this article is for general information only and does not take account your own personal circumstances. It should not be used as the basis for any form of agreement or advice and separate tax and legal advice may also be necessary.

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