



Shareholder/Partnership Protection

v1.0
Product Factsheet



www.plusprotect.co.uk



Overview

Shareholder protection allows business owners to buy shares back from any shareholder/partner who is diagnosed with a critical illness, terminal illness or dies. This policy helps surviving owners stay in control and minimises disruption to the business.

The cover is paid for as an expense through the business.



Who it's for

- ✓ Owners of UK Limited Companies with two or more stakeholders.
- ✓ Partners of Partnerships and Limited Liability Partnerships.



Why it's so important

Dealing with company ownership can be difficult in the event of untimely death or serious illness.

A shareholder arrangement sets out how the shares should be valued and gives the surviving shareholders the right to buy the shares or the outgoing shareholder the right to sell.

A Shareholder Protection policy is designed to provide the capital lump sum required to complete the transaction.



How it works

A legal agreement is put in place to enable the sale/purchase of a stakeholder's share in the business in the event of death or critical illness and defines how the shares are valued.

Each stakeholder takes out a policy on their own life to cover their share of the business.

If a stakeholder becomes critically ill or dies during the term, a claim is made.

The proceeds are paid according to the Trust.

The remaining stakeholders use the money, to purchase the deceased/critically ill stakeholder's share of the business.

The stakeholder (if critically ill) or the stakeholder's family (if deceased) receive the money from the sale of the shares.



Why you need a plan



- ✓ Provides support, certainty and security to the stakeholder's family.
- ✓ Protects the business by ensuring shares only get passed/sold to suitable parties.
- ✓ Removes any ambiguity or disagreement over the value of the stakeholder's shares.
- ✓ Ensures control is retained and offers third party suppliers/creditors greater confidence in the ongoing management of the business.
- ✓ Supports business continuity and succession planning.



This cover is not designed for

Sole Traders
Employees



plus[🏠]

PROTECT



01564 79 11 79



hello@plusprotect.co.uk



www.plusprotect.co.uk



Head Office:

Lyons Court, 1666 High Street , Knowle, Solihull, B93 0LY