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Life Insurance. Made simple

SECURITAS
INSURANCE GROUP

What is
Key Person Insurance?

Key person insurance is taken out by a business to compensate that business for financial losses that would arise from the death or extended incapacity of an important member of the business. The insurance payout is a lump sum and is used to offset losses which the business is likely to suffer in the event of the loss of a key person.

Keyperson Revenue Insurance

This protects the business against lost revenue and increased costs in the event of the loss of a person who makes a significant contribution towards the profitability of the business. Examples of revenue purposes include:

- Recruiting costs / Training costs
- Fall in sales or profits
- Bad debts

Keyperson Capital Insurance

This protects the business through the provision of capital in the event of the loss of a person who make a significant contribution towards the capital value of the business. Examples of capital purposes include:

- Pay off business loans
- Protect credit rating
- Offset loss of goodwill

Types of insurance

There are three types of risks that can be covered by key person insurance:

- The death of a key person (life insurance)
- Their total and permanent disablement (TPD insurance)
- Them suffering a trauma such as heart attack, stroke, cancer, and paraplegia (trauma insurance).

The big question you have to ask yourself is:

> “Would your business be able to maintain its revenues and profits if one of its key people died or couldn’t work for an extended period due to a serious illness or accident?

If your answer to this question is no, you need to consider transferring that financial risk to an insurance company.

Securitas Financial Group can help you answer any questions you have about key person insurance and calculate how much key person insurance you need to safeguard your business in the event something should happen to one of your key people. Furthermore, we will ‘broker’ the major insurers to find you the right cover at a competitive price.