

Business protection submission checklists

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An appropriate combination of business protection arrangements can help your clients' businesses to survive, following the death or serious illness of a person who is vital to the business.

To enable us to process your business protection applications as quickly and as smoothly as possible, please see below checklists for the key things we require for a typical submission. There may be occasions where we will request further information or additional evidence.

For all applications please:

- State the purpose of the cover.
- Show how the policy ownership is to be structured.
- Send full details (including any necessary additional evidence) with the application form.

What is the purpose of the cover your client is applying for?

- | | | |
|---------------------------|--------------------------|-----------------------|
| A Key person cover | ☐ | Please turn to page 2 |
| B Loan protection | ☐ | Please turn to page 3 |
| C Share protection | ☐ | Please turn to page 4 |

Key person cover

Always required

Application form:

Have you (or your client):

- Given sufficient detail of the purpose of the cover (e.g. 'key person cover on sales director') and how you arrived at the proposed sum assured (e.g. 'multiple of salary: 10 x Salary of USD 70,000pa = USD 700,000 life cover')? ☐
- Checked to see if a Business Financial Underwriting Questionnaire is required, and that you have indicated in the application form that one is attached, if appropriate? ☐
- Decided whether the business should own the policy (which is normally the case for key person policies) and given full details of the business entity (e.g. Limited Liability Company) as the applicant in the relevant section (with an authorised signatory(ies) of the business signing as applicant)? ☐

Identification:

Have you obtained appropriate proof of identification for all of the relevant parties? ☐

Sometimes required

Business Financial Underwriting Questionnaire

Have you (or your client)

- Attached the Business Financial Underwriting Questionnaire (BFUQ), where required? ☐
- Followed the instructions in the BFUQ completing the relevant sections (including the section for key person cover)? ☐
- Included with the BFUQ (where requested by the BFUQ):
 - Two years reports and accounts, or a business plan (including projections) for new businesses? ☐
 - A copy of the key person's CV or their service contract? ☐

Loan protection

Always required

Application form:

Have you (or your client):

- Given sufficient detail of the purpose of the cover (e.g. 'loan protection on finance director – loan from ABC bank LLC) and how you arrived at the proposed sum assured (e.g. 'Amount borrowed USD 500,000 for 10 years, therefore proposed sum assured of USD 500,000 over a 10 year term')? ☐
- Checked to see if a Business Financial Underwriting Questionnaire is required, and that you have indicated in the application form that one is attached, if appropriate? ☐
- Decided whether the business should own the policy (which is normally the case for loan protection policies) and given full details of the business entity (for e.g. Limited Liability Company, as the applicant in the relevant section (with an authorised signatory(ies) of the business signing as applicant)? If the policy is to be assigned to a bank, please do not submit deeds of assignment (or similar) until after the policy start date. ☐

Identification:

Have you obtained appropriate proof of identification for all of the relevant parties? ☐

Sometimes required

Business Financial Underwriting Questionnaire

Have you (or your client)

- Attached the Business Financial Underwriting Questionnaire (BFUQ), where required? ☐
- Followed the instructions in the BFUQ completing the relevant sections (including the section for commercial loan cover)? ☐
- Included with the BFUQ (where requested by the BFUQ):
 - Two years reports and accounts or a business plan (including projections) for new businesses? ☐
 - A copy of the loan offer letter? ☐

Share protection

Always required

Application form:

Have you (or your client):

- Given sufficient detail of the purpose of the cover (e.g. 'share protection cover on 50% shareholder (application also submitted for other 50% shareholder)') and how you arrived at the proposed sum assured (e.g. 'Accountants value the business at 8x net profit – average net profit for last two years is USD 100,000 so business valuation of USD 800,000. Proposed sum assured is, therefore, USD 400,000 (50% of share value)'?) ☐
- Checked to see if a Business Financial Underwriting Questionnaire is required, and that you have indicated in the application form that one is attached? ☐
- Decided (in conjunction with legal advisers and in line with the relevant share purchase agreement) how the policies are to be owned, and completed the application form on this basis (supplying any trust deeds, if necessary)? ☐

Identification:

Have you obtained appropriate proof of identification for all of the relevant parties? ☐

Sometimes required

Business Financial Underwriting Questionnaire

Have you (or your client)

- Attached the Business Financial Underwriting Questionnaire (BFUQ) where required? ☐
- Followed the instructions in the BFUQ completing the relevant sections (including the section for share purchase or partnership cover)? ☐
- Included with the BFUQ (where requested by the BFUQ):
 - Two years reports and accounts, or a business plan (including projections) for new businesses? ☐
 - A copy of the share purchase agreement? ☐
 - Proof of ownership of share of company/partnership? ☐

Data Privacy

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