

Uncovering the needs

Revenue Protection
For Key People

Asset Protection
for shareholder/Directors
/Beneficiary Loans

Revenue Protection
For Key People

Ownership Protection
For Continuing Owners

The Problem	Your Business could have difficulty repaying debts in the event of the death, disablement or major illness of an owner who is critical to its success and profitability. Your lender may call upon your personal guarantees or assets.	Your business will almost certainly be liable to the deceased's estate for the immediate repayment of any loans, causing a severe liquidity problem.	Your business could suffer a substantial loss of revenue, and therefore profits, in the event of the death or disablement of a key person who is critical to its success and profitability.	If an owner dies or becomes disabled, their interest in your business may be left to their beneficiaries who may not have the skill nor the desire, to contribute to the success of the business, but expect to share in the profits and interfere in the running of your business.
The Questions you need to ask	Who does the business success and profit depend on? On their death or disablement, could your business meet its loan repayments and creditor commitments? Would that person want their personal assets held as business loan security released? Would you want to avoid selling your encumbering business and personal assets? Would you want to, or be able to, borrow more money?	Is the loan on call? Could your business repay the loan immediately? Could your business face a liquidity problem? Would you want to or be able to borrow more money? Would you want to or be able to If it was your loan would you want to know the business could repay you?	Who are the key people responsible for generating revenue/profit for the business? What would be the effect on the business if one of these people died or was disabled? What strategies have you undertaken to protect your business if this happens? Would it take long to recruit and train a replacement? Would there be expenses associated with recruiting and training a replacement?	Would you want to purchase their interest in the business? Would you want to be in business with the deceased's spouse, children, relatives or other outsiders? Would you want to share your profits with people who make little or no contribution to the business? Do you have a "Business Will" or Or Buy/Sell Agreement in place? Would you have to borrow again to purchase their interest?
Is there an Alternative?	If there was a cost-effective way of ensuring the cash was available to repay debts, would you want to know about it.	If there was a cost-effective way to guarantee the cash was available, would you want to know about it?	If there was a cost-effective way to provide you with a "cash cushion" to offset the loss of revenue/profits, would you want to know about it?	If there was a cost-effective way to guarantee you had the right to purchase their interest, at an agreed price, and the cash to fund it, would you want to know about it?
The Solution	Asset Protection can provide your business with enough cash to repay debt so your business and personal assets held as security can be released.	Asset Protection can provide your business with enough cash to repay the loan immediately returning the capital to the deceased's estate.	Revenue Protection can provide sufficient cash to compensate your business for the loss of revenue and therefore profits, plus the associated costs of replacing the key person.	Ownership Protection can provide the funding for a Business Succession (Buy/Sell) Agreement granting the continuing owner(s) the right to purchase the deceased or disabled party's interest in your business at an agreed price guaranteeing the orderly, equitable and certain transfer of ownership.