



Key Man Insurance

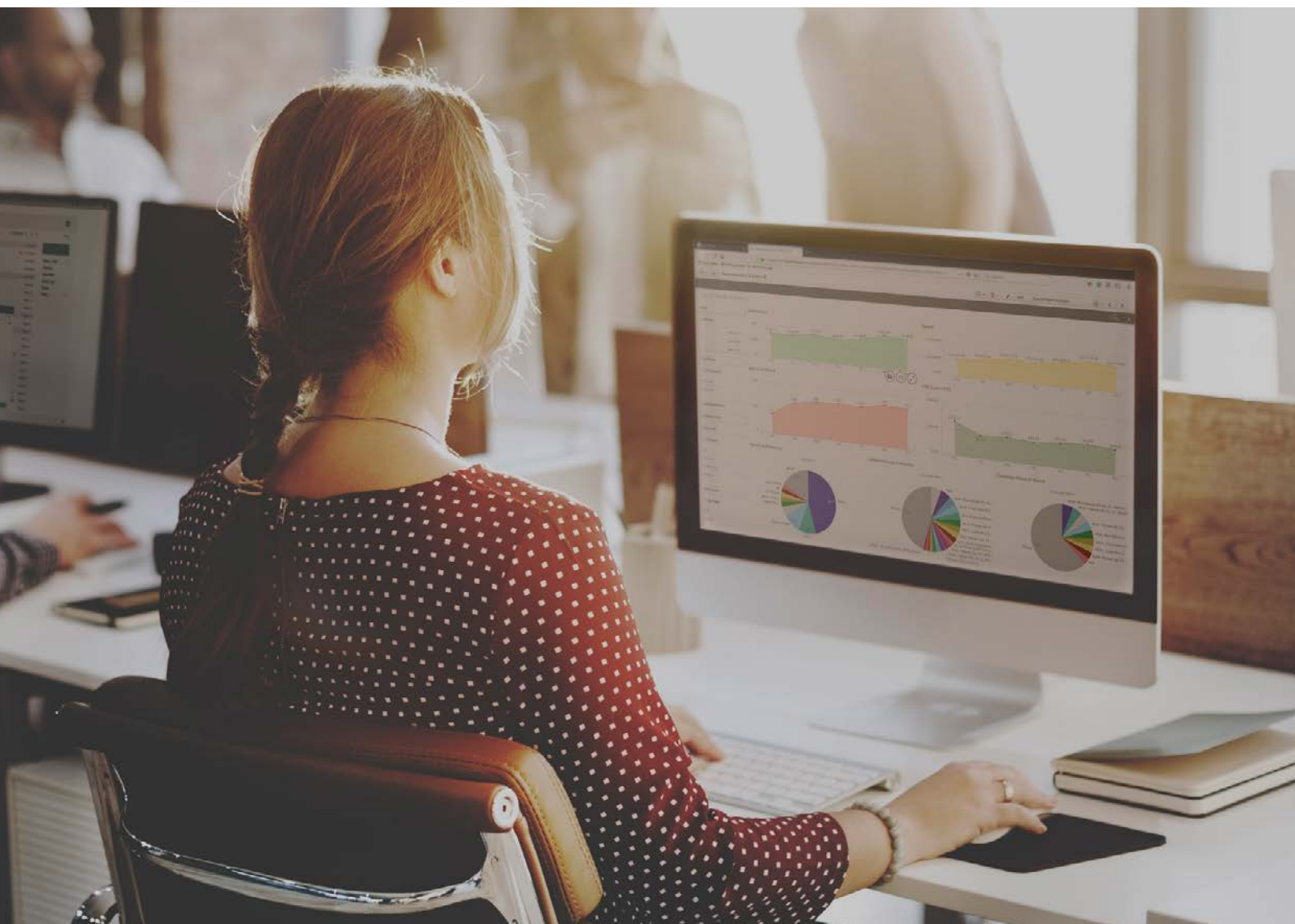
 Clarity Wealth Limited

Key Man Insurance

Protect against the loss of a key employee

Most companies have certain key members of staff who are crucial to the profitability and smooth daily running of the business. Directors often look for financial advice on how to help protect themselves and their business against financial losses as a result of the death or long-term incapacity of a vital staff member. We can help you choose the best type of key man insurance for you and your business requirements.

Key man insurance or key person insurance is a truly vital piece of business insurance for many companies of all sizes. Generally, you could describe it as an insurance policy taken out by a business to help protect the business from possible financial losses that may arise from the premature death or long-term incapacity of the key employee of the business as stated on the policy. The term of the policy does not continue beyond the time of the keyperson's usefulness within the business.



The main objective is also to protect profitability and enable the company to continue by providing a lump sum in an attempt to cover the financial impacts of a key person being lost to the business. Key person insurance does not indemnify the specific and real losses incurred by the business but allows for a fixed financial sum as set out in the insurance policy, at such a time when the employee insured either dies or suffers a critical illness as detailed in the insurance policy terms and conditions.

Employers can subscribe to a key person insurance policy on the health or life of any employee, whose work, knowledge or overall contribution is particularly valuable to the business. An employer does this to help offset the costs (such as employing temporary help or recruiting a new employee to replace the key person) and losses (such as a decreased ability to transact business until successors are trained) which the employer is likely to suffer in the event of the loss of a key person.

A key person can be anyone directly associated with the business whose loss can cause financial strain to the business. For example, the person could be a director of the company, a partner, a key sales person, key project manager, or someone with specific skills or knowledge which is especially valuable to the company.



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Our Financial Services Register number is 758444.