



Let's talk business protection

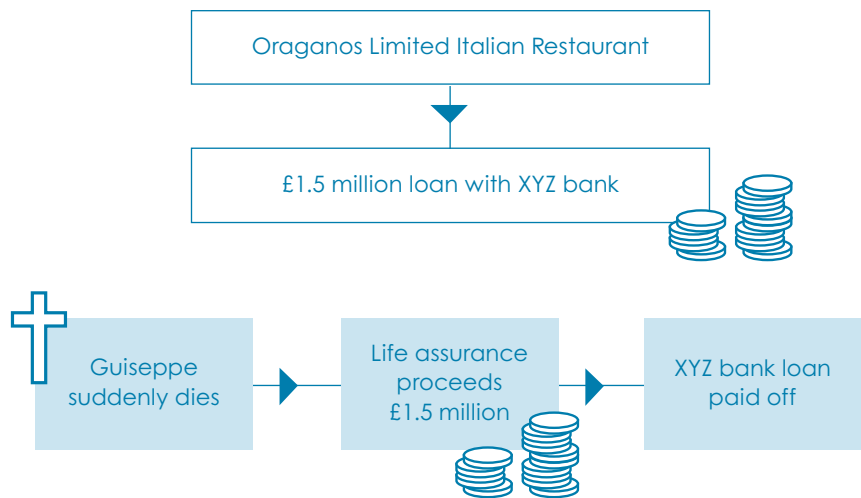
Business Loan Protection Case Study

Oraganos Limited, is an Italian restaurant in central London with an outstanding reputation for its menu and ambience. Managing Director, Guiseppe Verdi, plans to expand the Oraganos empire by opening a deli and bakery. The shop next door has just become vacant and presented Guiseppe with an ideal opportunity to grow the company.

To acheive this the company needs to borrow £1.5 million from the bank .

The bank insists on an insurance policy of £1.5 million on Giuseppe's life, as he is the key man, to protect the loan should he die.

Oraganos Limited takes out a £1.5m term assurance policy on Guiseppe. This policy is designed to pay out £1.5m if Guiseppe dies during the policy term. The policy can be paid direct to Oraganos Limited or it can be assigned to the bank.



Because Oraganos Limited owns the life policy on a 'life of another' basis, there's no need for Trust documentation to be completed.

In the event of a claim, the benefit would be paid direct to Oraganos Limited or the bank, therefore it's not treated as a benefit in kind for Guiseppe Verdi.

The premiums would not attract tax relief and the benefit at point of claim would not be taxed.