



## Let's talk business protection

### Partners' Share Protection Case Study

Glowing Electrical Services (GES) is a partnership of Clive Sparks, Alan Cable, Richard Power and Dave Current. GES is currently worth £100,000 and has equal partners.

GES wants to have protection in place should any of the partners die unexpectedly. Each partner takes out a £25,000 term assurance to retirement age. The policies are written under Trust for the other partners, with all four of them as Trustees. Each have signed a Cross Option Agreement.

So, if Clive Sparks dies, the life office would pay £25,000 to Alan, Richard and Dave as Trustees. They would split the money between themselves as surviving partners and each use their money to buy Clive's share from his wife.

Clive's estate ends up with £25,000 cash for the value of his share. Alan, Richard and Dave can continue with GES as equal partners with no further obligation to Clive's wife.

