



“5 Hot Topics to Consider for Business Protection”

By

Greg Simkin BA (Hons)

Member of the Institute of Financial Planning

Specialist Planning for The Self Employed, Small Business Owners and
Corporate Executives

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

“5 Hot Topics to Consider for Business Protection”

1st Edition

Produced by Greg & Sarah Simkin

**Unity Wealth Management
Unit 7
The Gardens
Fareham
Hampshire
PO16 8SS**

**greg@unitywealthmanagement.co.uk
www.unitywealthmanagement.co.uk**

© Copyright Greg Simkin 2009. All rights reserved.

No part of this guide may be reproduced without written permission from Greg Simkin.

**For further information please visit our website at
greg@unitywealthmanagement.co.uk**

Please feel free to email this guide in its entirety to any colleagues.

Unity Wealth Management Limited is an appointed representative of CAERUS Financial Limited, Building 120, Windmill Hill Business Park, Swindon, SN5 6NX, which is authorised and regulated by the Financial Conduct Authority.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom
Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Introduction

Thank you for your interest in our services and requesting this Free Guide:

5 Hot Topics to Consider for Business Protection

You've probably done this for any of a number of reasons:

- To see if you can improve your current position
- To be better informed when planning the protection needs of you and your business
- You're just curious and want to reassure yourself that you're not making any mistakes in relation to your protection situation
- You want peace of mind that what you're doing now has been constructed in the correct way and suits your needs.

As Specialist Financial Planners dedicated to helping the Self Employed, Small Business Owners and Corporate Executives, we've helped numerous clients make better informed financial decisions. This includes protecting their incomes and families against unforeseen life events (such as illness or premature death), reviewing clients existing pension plans that they have often built up, making the right investment decisions and of course protecting their business against unforeseen events.

Life has become too busy and complex today to operate without some form of ongoing financial advice. It is difficult enough as a Financial Planner to stay on top of everything there is to know about investments, legislation and tax minimisation so we cannot expect clients from other backgrounds to keep up to date.

Our aim is to review a client's circumstances proactively and regularly, so that we can stay on top of their issues and get to know our client's needs well. This allows us to deliver the highest possible value and customer satisfaction over time. As with physical health, the key to good financial health is to follow a simple programme and have regular check-ups to ensure everything is working as it should.

During recent years we've noticed a trend of certain specific questions that clients want answering in relation to Protecting themselves and their businesses.

What has become apparent is that many of these situations that the client faces are not unique to them as individuals. Unfortunately, we've also spotted a number of common mistakes that have been made by clients. The reasons why are varied, but some include:

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom
Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

- Inappropriate advice
- The client made a decision without doing enough thorough research
- The client made a decision that was correct at the time, but has not reviewed their situation since (very common)

We decided to put this free guide together so that the Self Employed, Small Business Owners and Corporate Executives throughout the UK could learn from the common issues that we see every day and use the information to their advantage. We've also included our suggestions to what action you could take to avoid each mistake. Our hope is that once you read this guide you will:

- Take action to make any changes necessary
- Analyse the strategies that you are using now (if they are the right ones for you, then no need to change!)
- Understand what you need to do to make any changes

We believe that in order for you to gain best maximum benefit from Financial Planning it is vital that your Financial Planner works in tandem with your Accountant and Solicitor. We feel that by doing this a more holistic service can be offered. This could include getting a Corporate Solicitor to check Articles of Association; review Wills or set up Lasting Powers of Attorney. If you do not have access to these services please let us know and we can refer you onto local businesses who can help and advise in their specialist fields.

The guide has been kept brief on purpose as we're aware that as business owners you are probably busy and may not be able to set aside a lot of time to read it. It should take you no longer than 15 minutes to read. We would encourage you to take the time though, and not put it off until later. After all, knowing what the common issues are and how to avoid them could save you and your business if an unexpected event occurs.

We also suggest you print out a copy so that you can make any notes.

Please contact us on **01329 888494** if you have any questions or if you'd like more information about how we can help you plan towards your retirement

We hope you enjoy reading this as much as we did putting it together!

Greg Simkin BA (Hons)

Sarah Simkin BSc (Hons)

Greg Simkin

Sarah Simkin

Independent Financial Planner

Client Relationship Manager

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Member of the Institute of Financial Planning

Contents

- **Topic 1**
Key Person & Loan Protection Cover
- **Topic 2**
Shareholder & Ownership Protection
- **Topic 3**
Taxation of Key Person & Shareholder Protection
- **Topic 4**
Other Benefits available
- **Topic 5**
How an Independent Financial Planner can help
- **About the Authors**
- **About Unity Wealth Management**
- **Risk Warnings**

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Topic 1

Key Person & Loan Protection Cover

We have found that the success of almost all small and medium sized businesses is dependent upon a few key people who make a significant contribution to the profits of that company.

These key people can include the owners, senior directors, sales people, production managers, research and development staff or any other people with specialist skills and knowledge.

Quite often a person's value to the business is reflected in their remuneration package. We have found that when you try to identify the Key People this is as good a place to start, although this may not always be the case.

Whatever the Key Person does, their loss could have disastrous consequences for the business. Some of the problems the business may face are:

- Loss of profits
- Having to repay a loan the Key Person has made to the business. This is very common with Directors Loan accounts.
- Loss of detailed knowledge of the businesses processes and systems
- The need to recruit or train a replacement
- Loss of important personal or business contacts
- Difficulties in meeting existing loan repayments
- Loss of confidence from suppliers and customers
- Difficulties in raising new finance for new developments
- Loss of goodwill

Having the right protection in place can help to ease all of these problems. The protection policy aims to provide cash injection if the Key Person dies or suffers a critical illness. It could also be designed to provide a regular income for the business if the person is temporarily disabled and unable to work.

We can't stop the unthinkable from happening but it can make dealing with the consequences a little bit easier!

There are no hard and fast rules when it comes to assessing the financial value of a Key Person. Each situation should be dealt with on its own merits. A general guide to the options available is listed below:

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Multiples of Profit

As one of the main objectives of arranging cover is to protect the profits of the business this would seem the logical first step to deciding the cover required.

The normal multiples would be as follows although this could differ for a rapidly expanding business:

2x gross profit, or
5x net profit

This would generally be the upper limits for the business as a whole. Where there is more than one Key Person covered this would have to be split between their value to the business.

Multiples of Salary

A multiple of gross salary including benefits in kind can give a useful guide to the amount needed to recruit a replacement. Between 7 and 10x gross salary maybe considered. This is a useful guide for non shareholding employees , but care needs to be taken with shareholders who have been taking a reduced salary to build the business or taking dividends for tax reasons.

Loan Security

Any outstanding business loans will need to be covered. As well as the lender usually requiring this cover , many directors have given personal guarantees, and /or used their own residential home as security, so there is an added need to ensure that dependents are protected.

Directors may well have made loans to the company themselves either by making a cash injection or leaving salary, bonus or dividend in the business. These are known as director loan accounts. On death these become repayable to the estate of the deceased Key Person and therefore need to be included in the sum assured.

In a partnership there may be similar loan accounts owed to individual partners and these need to be covered in the same way.

Action Point

These guidelines should give you some idea of how to work out the appropriate level of cover. However all businesses are different and their needs will be particular to their own circumstances and this needs to be given careful thought.

It is also worth pointing out that various Insurance Companies will allow differing maximum sum assureds and use different ways to calculate this. They will also calculate premiums at varying rates. This can sometimes be massively different so

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

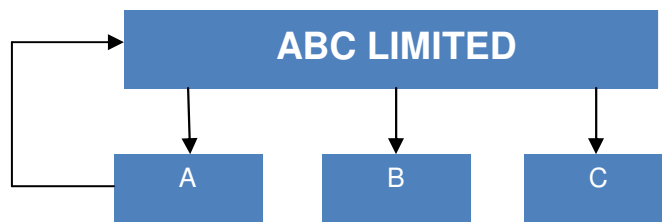
we would suggest you get Independent Financial Planning advice when considering arranging any business protection as this could save you hundreds of pounds and in some instances thousands on premiums!

Company Arranged Protection

There are two types of solution that can be used for Key person and Loan Protection for companies.

Life of another policy on a Key Person

The company takes out the life of another policy on a Key person. You can combine this in any number of ways to include a combination of Life and Critical Illness Cover depending upon your needs. Then if the Key Person dies, the benefits would be paid directly to the company. These funds can then be used to meet the companies financial needs while it reorganises or finds a replacement. In the case of Critical Illness it is possible the Key Person may return to work and so the funds could be used to pay for a temporary replacement or replace lost profits.



If A dies or becomes critically ill, the plan benefits are paid directly to the company.

Own Life in Trust

If the Key Person is a shareholding director they can take out a plan on their own life, written under a business trust for all the other shareholders. Should the Key Person die or suffer a critical illness the other shareholders will receive the benefits provided by the plan through the trustees.

The shareholders can then lend the benefits to the company to offset the potential loss of revenue while they reorganise or recruit a replacement. This is done by creating or increasing directors loan accounts.

The key advantage here is the extra flexibility it offers as the other directors can choose when the money is loaned and how much of it they use. Because the money has only been loaned to the company once the business is back on its feet again it can be withdrawn at any time without any tax liability.

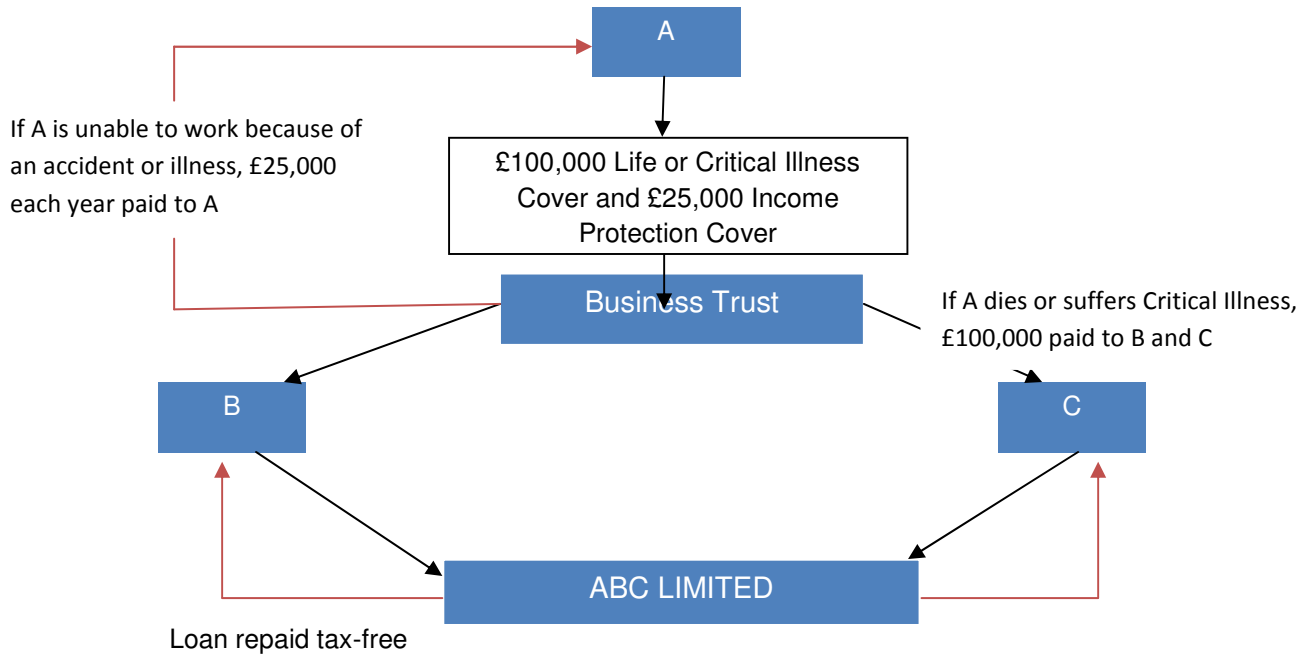
Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

The downside of this is the cost because premiums have to be met from post tax income. Or if the company pays, the premiums would be treated as income in the hands of the shareholders.



Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

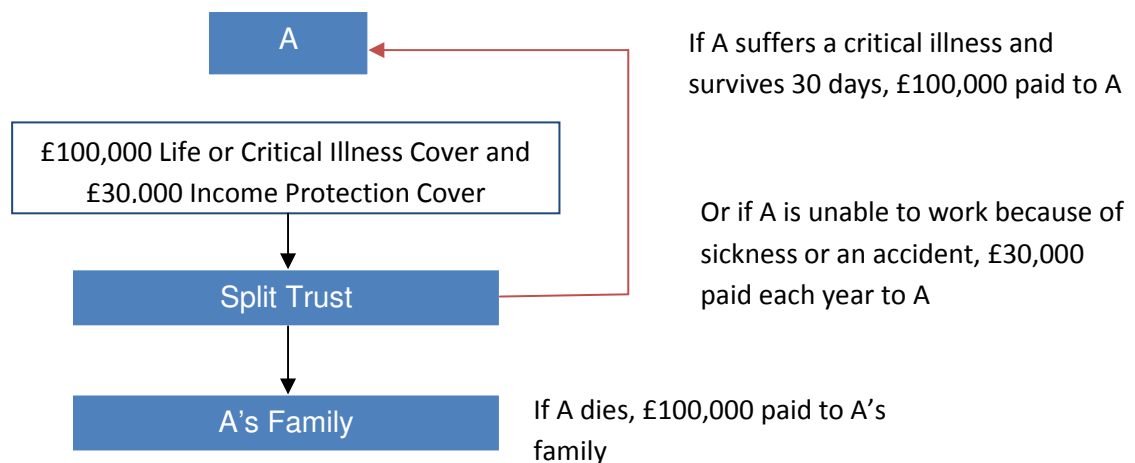
Sole Trader Arranged Protection

There are two Key Person situations a sole trader may need to protect against. These are:

The Sole Trader

The solution for a sole trader is to take out a plan on their own life with both critical illness and life cover. The plan is written under a split trust arrangement with their family as beneficiaries. If the sole trader suffers a critical illness the plan will pay them the benefits if they survive the illness by 30 days. The Sole Trader can then meet the financial responsibilities of the business change their lifestyle if required and safeguard the financial future of their family.

In the event of the Sole Traders death the plan will pay the benefits to their family allowing them to meet the financial responsibilities of the business and safeguard their future financial wellbeing. If the family decide to continue the business after the Sole Traders death the benefits from the plan will help considerably.



Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

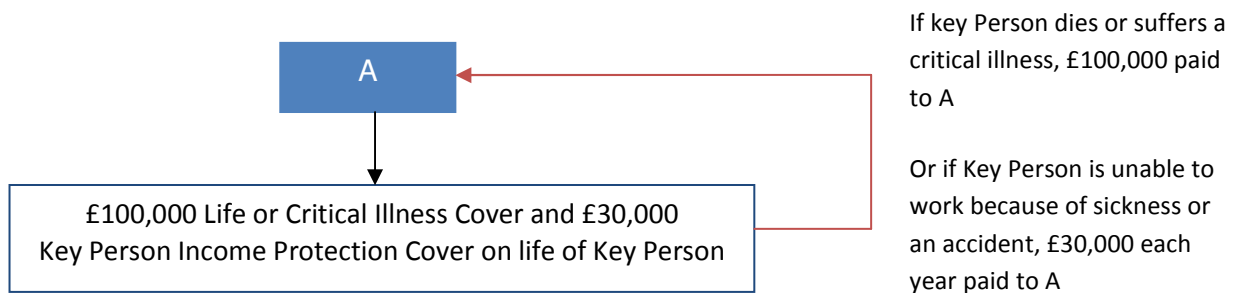
Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

An Employee

In addition to being a key person, the Sole Trader may employ someone who is key to the success of the business. The loss of this person could have the same impact on a Sole Trader as any other business.

The solution is to take out a Life of Another plan on the Key Person. In the event of a critical illness or the Key Person dying the Sole Trader will receive the benefits of the plan. These funds can then be used to meet the financial responsibilities while they organise or find a replacement.



Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Topic 2

Shareholder & Ownership Protection

The loss of a business partner or shareholding director can have a major impact on the success of a business in terms of ensuring continued control for the remaining owners.

However we also need to consider the effect on your dependents, or the position of a critically ill owner who might wish to leave the business.

The potential problems that could arise depend upon the business size, the size of the business share, and the procedures laid down in the articles of association or the partnership agreement if there is one.

For example, if one of the owners of a limited company becomes critically ill or dies:

- They or their family might want to sell their share of the business. This could be to a competitor or some other unsuitable buyer. If the owner of the business was a majority shareholder then control of the business has been lost.
- If the outgoing owner had at least 75% of the shares then they could also force outright sale or winding up of the business.
- Perhaps the owners family may wish to become involved in the business, which may at best be disruptive or at worst unacceptable to the other owners. A majority shareholding allows the new owner to appoint themselves as director and remove other directors gaining day to day control of the business.
- The other owners may have funds they intended for other purposes to buy the share of the deceased owner or ill owner.

In these situations it is important to have plans in place so that the remaining owners will be able to buy a critically ill or deceased colleagues share of the business.

The aim of setting up these plans is to ensure:

- The remaining business owners retain continued control of their business
- The estate of the deceased owner, or the outgoing critically ill owner, gets fair value for selling their share of the business
- The arrangement is set up in a tax efficient manner

There are several ways this can be done depending upon the individual needs of the business.

The first solution is for each owner to take out a protection plan on their own life for the value of their share of the business. This plan is written under a Business Trust for the benefit of their co-owners. All owners enter into the appropriate agreement.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

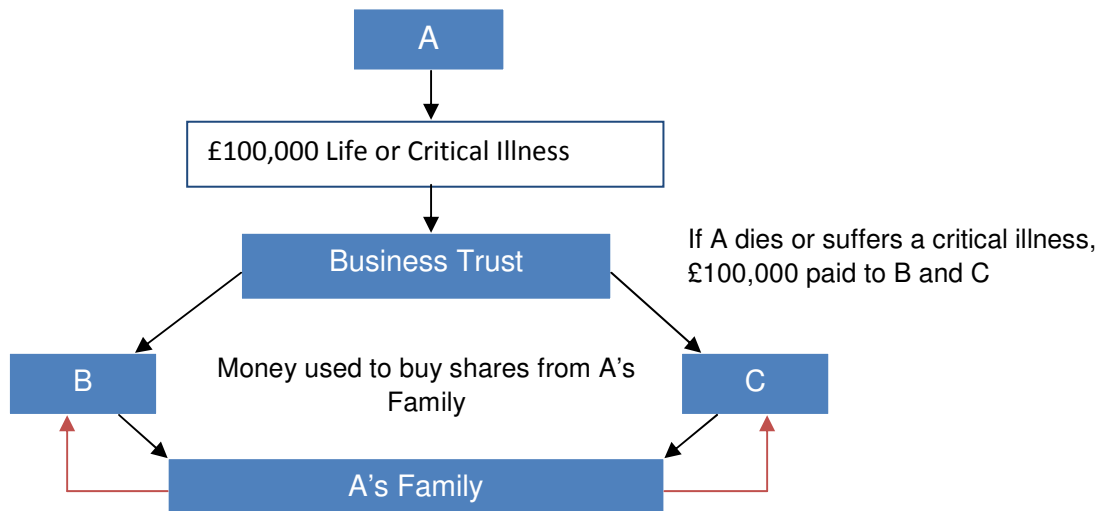
Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

If one of the owners suffers from a critical illness or dies, the others would receive funds to purchase the ill or deceased owners share from the owner or his personal representatives.

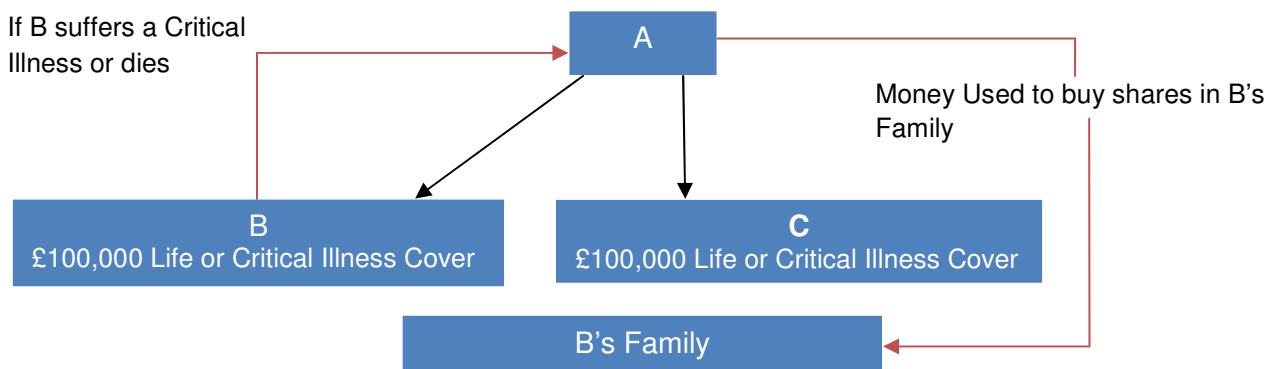
The deceased persons representatives would distribute the proceeds in accordance with the deceased will or the rules of intestacy.

It is important to have a fully discretionary trust arrangement that will allow the flexibility to automatically add any new partner or shareholder who joins the business and remove any partner or shareholder who leaves. It is critical that this plan is written under trust from inception otherwise this can have negative taxation consequences.

Alternatively if there are only two or three owners it is possible for each owner to take out a life of another plan on the lives of each of the other owners. If one of the owners dies or suffers a critical illness, the plan would pay out directly to the other owner. They would therefore have the money available to buy the ill or deceased owners share of the business



OR



Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

The Cross Option Agreement

An appropriate agreement is needed between the shareholders for the disposal of shares on death or critical illness. It must not be a binding agreement for the sale otherwise business property relief from inheritance tax will not be available.

We would strongly recommend that your business legal adviser drafts the cross option agreement to make sure it does not conflict with the articles of association or an existing partnership agreement. The agreement works by creating a "Sell" option for each owner in the event of death or critical illness and a "Buy" option in the event of death only. The exercise of the "Sell" option will mean the surviving owners must buy the dead or critically ill owners share; the "Buy" option will require the deceased owners personal representatives to sell the deceased share to the surviving co-owners.

If the arrangement is to include options on critical illness you will need to consider whether you want an owner who suffers a critical illness to have a single option allowing them to sell, or if they also want the other owners to have an option to buy.

If they choose a single option on critical illness, the owner who suffers a critical illness cannot be forced out of the business against their will. This gives that owner the opportunity to continue in the business if they recover and are able to return to work. But it also means that if they are unable to return, the remaining owners have no right to buy their share of the business. This could mean that the ill person is still entitled to their share of the profits even though they are no longer contributing to the business.

Alternatively you could choose to include a double option in the event of critical illness. However this would operate differently to the cross option agreement on death. In the event of an owner suffering a critical illness, they have an immediate option to sell. If they exercise that option the other owners must buy that share of the business. But the other owners would not be able to force the ill owner out immediately. Instead they would have the option to buy only if the ill owner does not return to their normal duties within a specified period normally 12 months. This gives the ill owner the opportunity to return to the business if they are able, and other owners the security of being able to remove an owner who is no longer able to contribute.

We are able to provide a specimen cross option agreement for consideration by your legal advisers if you require this.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Topic 3

Taxation of Key Person & Shareholder Protection

KEY PERSON INSURANCE

Company Arranged Protection

The taxation implications for a company depend upon the solution, the type of plan chosen, the reason for the cover selected and the relationship between the key person and the company. However HM Revenue and Customs will treat each case on its own merits and may take a different approach to the one we outline. It therefore maybe advisable to contact the firms local inspector of taxes to find out the approach they would take.

There are four tests to ensure that a premium can be deducted as an expense for the company. These are:

- The purpose of the plan is solely to protect against loss of profit.
- The sole relationship should be employer/employee (although some very small shareholdings-e.g. under employee share schemes are likely to be ignored).
- The plan must be short term assurance, which is normally understood to mean a non-convertible term assurance plan with a term of no more than 5 years.
- The sum assured must be reasonable.

If the plan fails any of these tests the premium is unlikely to be tax deductible.

The premium would not be assessed against the Key Person for Income Tax or National Insurance as the benefits belong to the company.

It is important to note that if the premiums qualify for relief from corporation tax, then the sum assured, when paid, would usually be treated as a trading receipt and be subject to corporation tax. Therefore it is important to provide a level of cover that takes into account the taxation position of the business.

It is also worth noting that in NOT claiming tax relief where the premium would have qualified will not necessarily prevent the sum assured from being treated as a trading receipt and being taxed. Therefore written confirmation should be obtained from the local revenue that the premiums do not qualify as a business expense, and that the benefits will not be taxable. However in our experience this is not always forthcoming!

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Sole Traders

If the plan is written on the sole traders own life, premiums will be seen as personal expenditure and will not be deductible as a business expense. This usually results in the sum assured not being taxable.

It may however be possible to argue that the premiums should be a deductible expense if the plan is on the life of an employee and meets the four tests below. If such a claim is successful then the payment of the sum assured may be taxable.

- The purpose of the plan is solely to protect against loss of profit
- The sole relationship should be employer/employee
- The plan must be a short term assurance, which is normally understood to mean a non convertible assurance plan with a term of no more than 5 years.
- The sum assured must be reasonable.

If the plan fails any of these tests the premium will not be tax deductible.

Again as with companies if premiums qualify for tax relief the sum assured on claim would be liable to income tax and so must be increased to cover "tax loss".

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

SHAREHOLDER PROTECTION

The taxation implications depend upon the solution and the type of plan chosen.

Life of Another

1. Corporation Tax-plans to cover company ownership will not meet the criteria for relief from corporation tax on the premiums. Therefore the payment of sum assured for a term assurance plan will not be classed as a trading receipt, and so is unlikely to suffer corporation tax.
2. Capital Gains Tax- As long as certain conditions are met, the purchase of the shares by the company can be treated as a capital gain rather than a distribution for tax purposes. The advantage of this is if the shareholder dies the base value of their shares is revalued to the value at the date of death. Providing the shares have not increased in value between the shareholders death and their sale to the company, the capital gains tax charge will be zero.

The conditions that need to be met are:

- The company must be an unquoted trading company or the holding company of a trading group
- The purchase should take place for the benefit of the companies trade
- The purchase should not be part of a scheme to avoid tax
- The seller should be resident and ordinarily resident in the UK in the tax year of purchase
- The shares must have been owned for at least five years before the date of sale. (three years if inherited)
- The seller must not retain an interest of 30% or more in the issued share capital of the company
- The vendors interest should be substantially reduced. The holding after the repurchase should not be more than 75% of the holding before the purchase

It is important to remember that in the event of a transfer of shares due to a critical illness that the critically ill shareholder may be liable to capital gains tax on any increase in the value of shares over their acquisition costs.

It is vital that the company consults with their accountant before agreeing to the purchase.

3. Inheritance Tax-If the shares were sold because of the death of the shareholder, business property relief allows the transfer of “relevant business property” at reduced rates of inheritance tax. In this context relevant business property is unquoted shareholdings that have been held for two years.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Unquoted shares are any shares are any shares not listed on the main stock market. Currently the business property relief for unquoted shares is 100%.

Own Life in Trust

1. **Income Tax**- if the individual shareholder or partner pays the premiums this will come from their taxed income.
In the event of a partnership paying the premiums on behalf of a partner they will be taxed as partnership drawings, unless the premiums are deducted from the partner's capital, current or loan accounts.
If a company pays the premiums on behalf of a shareholder the premium will be assessed for income tax and national insurance on that benefit unless the premiums are deducted from the director's loan account.

There is no liability to income tax on the payment of the sum assured.

2. **Corporation Tax**- if the company pays the premium it can deduct the expense for corporation tax purposes as meeting a liability of a shareholder.
3. **Capital Gains Tax**- There is no personal liability proving the plan is written in trust from the start. This changes if an existing plan is assigned to trust under a commercial arrangement it could be argued that the trustees acquired the plan for consideration.
4. **Inheritance Tax**- The plan should be written in trust from inception. A plan written under trust as part of a bona fide business arrangement on commercial terms is not a gift and therefore would not normally be subject to inheritance tax. Evidence that this is a business arrangement would be sight of a Cross Option Agreement. It is essential that no one outside the business be included as a beneficiary under the trust to maintain commerciality.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Topic 4

Other Benefits available

We know from our experience that running your own business can be all consuming. It is so easy to believe that it is the most important thing in your life. Until the unexpected happens and a bereavement or diagnosis of critical illness puts everything else into perspective.

Should the unthinkable happen and a claim occurs, the business will have a range of problems it may never have had to deal with before. This is especially true for the small to medium sized businesses that we work with because they do not have the luxury of a “Substitutes Bench” of Reserve Talent available.

Some of the questions that maybe thrown up in this scenario include:

- Where do you look for interim help to plug the gap left by a Key person?
- What should you do about recruiting a long term replacement?
- If Key People have suffered a critical illness or disability, what help is available in rehabilitating them and bringing them back to work or maybe helping them find suitable alternative employment?
- What about the legal ramifications and where does this specialist legal advice come from?
- We are sure there are many others that you could think off!

There are specialist insurance companies who as part of their offering will give access to the following and could help answer some of the questions mentioned above:

Business Support

- Will offer help to recruit a temporary or permanent replacement. Management staff can be found where a temporary replacement is needed. Details of candidates will be provided within 48 hours.
- Will offer support and advice when it comes to finding a permanent replacement including writing job and person specifications and drafting adverts and recruitment agency briefs.
- Will give advice to you regarding employment law relating to the claim.
- Will give legal advice around all aspects of employment law relating to the claim including managing sickness and absence, termination and shareholder options via Legal Telephone Lines.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

- You can speak to personal nurses to understand more about the illness, its symptoms, treatment and the likely impact on the employee and their family. This could include the impact upon the employees ability to return to work, when this return is likely, any side effects of the treatment that may affect employment.

Personal Support

- As soon as a claim is notified then a nurse will make contact with individual to see what help and support is required. This could include contacting support groups to arrange help from a qualified and independent Bereavement counsellor.
- For claims involving critical illness or income cover the nurse will be able to offer immediate support and answer any medical questions the individual may have. Where necessary a home visit can also be arranged. If additional specialist treatment is required this can be paid for where a nurse deems this necessary.
- Access to career consultants, including CV writing services and a comprehensive job seekers manual.

The best thing about this is that these services are offered for free!

Not all companies offer these valuable benefits and so it is advised that you seek Independent Financial Advice to ensure that the policy recommended offers these additional facilities and services.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Topic 5

How an Independent Financial Planner can help

Background

Well, here we are at the last topic. This one may be the one that potentially costs clients the most money over the long term.

Whilst there are a number of options available to you when planning your retirement, you would be surprised at the number of new clients that we meet who cannot explain why they bought certain investments that they have.

Furthermore, many did not shop around for the right type of financial adviser (if they've used one) or perhaps signed up with the first one they met.

The Problem

Purchasing any type of financial services can be a complex process. Financial advisers have a number of regulatory requirements that they have to meet (meaning more paperwork) and there are many different types of adviser to choose from. So it can be difficult to know the best place to start.

Action Point

You can take steps to tip the odds in your favour.

If you are planning to use the services of a financial adviser and want to get the best results out of your financial planning it is crucial that you deal with someone who has the tools and expertise to offer you a financial planning service, as well as transactional, product based retail service (although the latter may be more appropriate initially depending on your age and stage of your career).

Rather than continuing to fill up your portfolio with financial policies, you should create a clear plan and strategy that can be monitored throughout your career. Otherwise, you may continue collecting policies without really knowing if you are on course to achieve your objectives.

You should also be prepared to pay for a financial planning service, as the Outcome of this form of financial planning can only be successful if the impartiality of the service is protected. (e.g. investing more money usually earns your financial adviser commission, whereas repaying debt will not).

So what are the key characteristics of an unbiased financial planning service

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

and what should you ask your adviser? Don't be afraid to ask the tough questions, after all it's your financial future we're talking about. Apart from ensuring that your adviser is independent (of product provider), ask how the company guarantees the impartiality of their service.

The Self Employed, Small Business Owners and Corporate Executives can choose between using a tied, multi tied or independent financial adviser or an impartial independent financial planner.

Let's look at the two services, past and present. Naturally, you should be looking to work with someone on the right hand side.

**The Past -
Financial Advice**

**The Future -
Financial Planning**

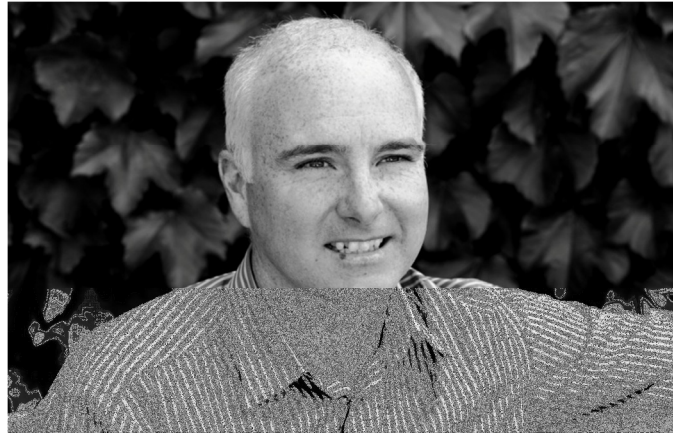
The vast majority of advisers have the basic financial qualifications	The vast majority of planners have advanced financial qualifications
An overview of your position	A detailed analysis
A reactive diagnosis based on solving an immediate problem	A proactive diagnosis based on planning to achieve your lifetime objectives
Little measurement	Exact measurement using sophisticated cash flow forecasts
Shopping mentality	Ongoing review
Suspicion of bias over commission	Impartiality achieved by being fee based
Buying policies over time	Cohesive financial planning
Looking at individual problems in isolation	Looking at all the issues in context
Ending up with a collection of Policies	A comprehensive written financial plan and strategy
Limited choice	Total informed choice
Confusion	Clarity

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom
Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

About The Authors



Greg was born in Kenya and grew up in South Africa. He returned to the UK when he was 10 and attended Henry Cort School in Fareham.

After school he continued his studies, completing a degree in Marketing and graduated with honours in 1996 from Southampton University.

Greg's first job was working for a General Insurance Broker as Assistant Manager. "I remember falling into the job really, but soon realised I was good at dealing with the public and really enjoyed this aspect of the work. This was where I found my niche and where my career in Financial Services started."

In 1999 he was approached by Pearl Assurance to become a Mortgage Consultant looking after Portsmouth, Southampton and the Isle of Wight. "I must have done a fairly good job because within 6 months I was promoted to Area Manager and I began to look after Pearl Pension and Investment clients. I built some really great relationships with Pearl customers many of which are still clients of ours now."

In 2002 Greg became an Independent Financial Adviser working for a small IFA firm in Fareham. After gaining valuable experience he then decided to set up his own Independent Financial Planning Company, S & S Financial Solutions, which is now Unity Wealth Management Ltd, a firm specialising in providing Financial Planning advice to the Self Employed, Small Business Owners, Corporate Executives and Pre and Post Retirement clients where he has built a loyal client following.

His passion is working with and helping clients who want an unbiased view as to how they can achieve their desired lifestyle, financial goals and objectives. "Nothing gives me more pleasure than seeing a new client walk out of the office with

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

a clearer picture of their financial future and less worry and concern over how they are going to achieve it.

Greg has continued to pass various financial papers and is on his way to pass the Diploma in Financial Planning accredited by the Chartered Insurance Institute.

He is married with 2 children. Sarah his wife works in the Financial Planning firm taking care of Client Management and ensuring the smooth running of the office.

Greg is a keen golfer and plays off a handicap of 5 although he admits it would be better if he had more time!

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk



Sarah was born in Winchester and grew up in Chandlers Ford. She attended Thornden School, Barton Peverill College and graduated with honours from Chichester University in 1998.

Sarah holds the three Financial Planning Certificates and worked as a Financial Adviser prior to having children. She now takes sole responsibility for the smooth and efficient running of the office and systems.

If you become our client you will find that Greg and Sarah work as a close team to ensure that the service you receive is of the highest standards. It helps to know that Sarah can help with queries when Greg is out of the office.

Sarah has 11 years experience of working in financial services with Pearl Assurance and other financial services organisations.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom

Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

About Unity Wealth Management Ltd

Unity Wealth Management Ltd was set up by Greg to provide quality financial planning advice to meet the needs of all types of client, whether business or personal.

As well as holistic fee based financial planning, Unity Wealth Management Ltd offers a wide range of financial services:

- Retirement Strategy, to help you manage your affairs when you decide to give up work
- Portfolio Evaluation, so you can align your investment strategy with your attitude to risk
- Estate Planning / inheritance tax mitigation / wills
- Family Protection, to make sure your family have financial security if you die prematurely or suffer a critical illness
- Income Protection, ensuring you have enough income if you can't work due to illness, injury or accident
- Debt Management, understanding how to make debt work for you
- Foundation Planning including product selection (suitable for younger clients)
- Individual Product Research, to help you buy the right financial policies
- Long Term Care, planning for when you can't look after yourself or a family member
- Comprehensive Mortgage Service, residential and buy to let (sourcing the right deal for you and handling many aspects of the administration)

To find out if we can help you with your financial planning call **01329 888494** or **email us** (greg@unitywealthmanagement.co.uk) for further information. Initial telephone discussions are free of charge and without obligation.

If you're not receiving the monthly Financial Tips newsletter, simply **visit our specialist website** (www.unitywealthmanagement.co.uk) to join. By doing so you'll be able to keep up to date with all the latest pensions and financial news. (Your details are safe with us and we will not sell or pass them to any third parties).

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom
Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk

Risk Warnings

All content provided in this special report is only for your own information and use, and is not intended to address your particular personal requirements or to be relied upon in making (or refraining from making) any specific investment or other decision. Such content shall not constitute any form of advice or recommendation by us.

The content relating to the past performance of an investment is not necessarily a guide to its performance in the future. The value of investments or income from them may go down as well as up. The value of investments may rise or fall due to the volatility of world markets, interest rates and capital values or, for investments held in overseas markets, changes in the rate of exchange in the currency in which the investments are denominated. You may not necessarily get back the amount you invested.

Where you are unsure about any specific investment or other decision, you should obtain appropriate expert independent advice.

Levels and bases of, and relief from taxation are subject to change as UK legislation and regulations and the UK tax regime are amended from time to time. Any content referring to such legislation, regulations or tax regime should not be relied upon. The content in this guide refers to the 2009/10 tax year.

Unless otherwise stated, this guide is directed only to the Self Employed, Small Business Owners and Corporate Executives in the United Kingdom. Clients outside the United Kingdom should not use or rely upon any content provided.

Seek advice from an Impartial Independent Financial Adviser whenever considering restructuring your investments. Each investment should be considered on merit and not just for the tax advantages.

The Financial Conduct Authority does not regulate taxation advice, trusts or wills.

Unity Wealth Management Ltd is an appointed representative of Paradigm Financial Advisers Ltd which is authorised and regulated by the Financial Conduct Authority.

Unity Wealth Management Ltd

Unit 7, The Gardens, Fareham, Hampshire, Po16 8SS, United Kingdom
Tel: 01329 888494

Email: greg@unitywealthmanagement.co.uk Web: www.unitywealthmanagement.co.uk