



Documentation required to put Business Protection in place - LIFE ADVISORY SERVICES

Corporate Shareholder Protection

This is an arrangement whereby the company agrees with each shareholder to buy back his / her shares from his / her personal representatives on death, with the insurance cost being borne by the company. This ensures security for the company, and peace of mind for the family / dependants of the deceased.

[Click here for detail on the documentation required](#)

Personal Shareholder Protection

This allows the shareholders of a limited company to provide funds to purchase the share of a deceased shareholder from their personal representatives. The life assurance contracts are taken out by the shareholders personally. This ensures the surviving shareholders retain control of their business.

[Own Life in Trust – click here for detail on the documentation required](#)

[Life of Another – click here for detail on the documentation required](#)

Partnership Insurance

This allows the partners of a business to provide funds to make a payment to the estate of a deceased partner in respect of his / her share of the partnership. The life assurance contracts are taken out by the partners personally. This ensures the surviving partners retain control of their business.

[Own Life in Trust – click here for detail on the documentation required](#)

[Life of Another – click here for detail on the documentation required](#)

Keyperson Cover

This allows a limited company to plan for the potential financial loss that it would suffer on the death or serious illness of a key employee. For example, will any loans to the business have to be repaid on the death of a specific individual?

[Click here for the detail on the documentation required](#)

Corporate Shareholder Protection

The company takes out an individual protection plan on the shareholder and the company pays the premium.

Life assured = shareholder

Proposer / plan owner = company i.e. ABC Ltd

Payer of premium = company i.e. ABC Ltd

The plan is NOT issued in trust. No trust form is required.

Irish Life Requirements

Protection Application Form / Declarations and Consents

- **Declaration to Irish Life Assurance plc** – life assured is individual shareholder. He / she signs declaration as life assured – ‘the first person’.
The company is the ‘proposer’/plan owner. A company director or company secretary signs the declaration ‘for and on behalf of ABC Ltd’
- **Declaration under regulation 6(3) of the Life Assurance (Provision of Information) Regulations 2001** – customer is the company. A company director or company secretary signs the declaration ‘for and on behalf of ABC Ltd’. This is not signed by the life assured.

Underwriting Questionnaire – Partnership Share Purchase
Corporate Co Directors Cover Financial Questionnaire

Anti-Money Laundering Requirements – Please refer to your account manager

Company Requirements

1. **Company Law - Check Company's Constitution** – the company must be authorised to buy back its shares in its constitution, so this may need to be changed.
2. **Confirm Capital Gains Tax Treatment** – is likely to apply to the proceeds from the sale of shares back to the company
3. **Corporate Share Purchase Agreement** – a separate “Put and Call” agreement must be prepared and completed between the company and each shareholder involved. *This ‘sample’ draft agreement is available on www.bline.ie*
4. **Pass a Special Resolution** – may be required to authorise the company to enter into the share purchase contract with each shareholder. The special resolutions must be passed before each agreement can be signed.

Corporate Shareholder Protection: It is recommended that someone other than the “Life Assured” in each case should sign each of the applications “for and on behalf of the company” as the proposer / plan owner.

SHAREHOLDER AND PARTNERSHIP PROTECTION: Where share purchase cover or partnership cover is being put in place, it is very important that the clients own legal advisor should advise on the suitability of our draft agreements for the clients own particular circumstances. In particular to ensure that any agreements are not in conflict with the company's constitution or the firms partnership agreement.

Personal Shareholder Protection

OPTION 1 - Own Life in Trust

The plan is put in trust for the 'other shareholders in the business' using a special shareholders trust form.

Life assured = shareholder personally

Proposer / plan owner = shareholder personally

Payer of premium = shareholder personally

Irish Life Requirements

Protection Application Form / Declarations and Consents

- **Declaration to Irish Life Assurance plc** – life assured is individual shareholder, he / she signs the declaration personally, no separate proposer.
- **Declaration under regulation 6(3) of the Life Assurance (Provision of Information) Regulations 2001** – customer is individual shareholder, he / she signs the declaration personally. No separate proposer.

Shareholder Trust Form – shareholder is settlor and trustee. He / she signs the trust form personally. The form must be signed and dated before the plan is issued. The beneficiaries are the 'other shareholders in the business named ABC Ltd'.

Underwriting Questionnaire – Partnership Share Purchase Corporate Co Directors Cover Financial Questionnaire

Anti-Money Laundering Requirements – Please refer to your account manager

Company Requirements

Shareholder Buy / Sell Double Option Agreement – one single agreement which is to be signed by all the participating shareholders.

This draft agreement is available on www.bline.ie

OPTION 2 - Life of Another

A plan is required on the life of each individual shareholder. The proposer / plan owner in each case is the 'other shareholders of the business. The proposer pays the premium personally.

Life assured = shareholder personally

Proposer / plan owner = other shareholders in the business

Payer of premium = other shareholders in the business (the proposers)

Protection Application Form / Declarations and Consents

- **Declaration to Irish Life Assurance plc** – the shareholder who is the life assured signs the declaration personally as the 'first person'. The other shareholders are the proposers of the plan and sign as separate proposer / plan owner.
- **Declaration under regulation 6(3) of the Life Assurance (Provision of Information) Regulations 2001** – customer is the 'other' shareholders; they sign the declaration personally as a separate proposer. This is not signed by the life assured.

Underwriting Questionnaire – Partnership Share Purchase Corporate Co Directors Cover Financial Questionnaire

AML Requirements – Please refer to your account manager

Shareholder Buy / Sell Double Option Agreement – one single agreement which is to be signed by all the participating shareholders.

This draft agreement is available on www.bline.ie

The plan is NOT issued in trust. No trust form is required.

Partnership Insurance

OPTION 1 - Own Life in Trust

The plan is put in trust for the 'other partners in the firm' using a special partners trust form.

Life assured = partner personally

Proposer / plan owner = partner personally

Payer of premium = partner personally

Irish Life Requirements

Protection Application Form / Declarations and Consents

- **Declaration to Irish Life Assurance plc** – life assured is individual partner, he / she signs the declaration personally, no separate proposer.
- **Declaration under regulation 6(3) of the Life Assurance (Provision of Information) Regulations 2001** – customer is individual partner, he / she signs the declaration personally. No separate proposer.

Partner Trust Form – partner is settlor and trustee. He / she signs the trust form personally. The form must be signed and dated before the plan is issued. The beneficiaries are the 'other shareholders in the firm named ABC'.

Underwriting Questionnaire – Partnership Share Purchase Corporate Co Directors Cover Financial Questionnaire

Anti-Money Laundering Requirements – Please refer to your account manager

Company Requirements

Partnership Buy / Sell Double Option Agreement – one single agreement which is to be signed by all the participating partners.

This draft agreement is available on www.bline.ie

OPTION 2 - Life of Another

A plan is required on the life of each individual partner. The proposer / plan owner in each case is the 'other partners of the firm'. The proposer pays the premium personally.

Life assured = partner personally

Proposer / plan owner = other partners in the firm

Payer of premium = other partners in the firm (the proposers)

Protection Application Form / Declarations and Consents

- **Declaration to Irish Life Assurance plc** – the partner who is the life assured signs the declaration personally as the 'first person'. The other partners are the proposers of the plan and sign as separate proposer / plan owner.
- **Declaration under regulation 6(3) of the Life Assurance (Provision of Information) Regulations 2001** – customer is the 'other' partners; they sign the declaration personally as a separate proposer. This is not signed by the life assured.

Underwriting Questionnaire – Partnership Share Purchase Corporate Co Directors Cover Financial Questionnaire

Partnership Buy / Sell Double Option Agreement – one single agreement which is to be signed by all the participating partners.

This draft agreement is available on www.bline.ie

The plan is NOT issued in trust. No trust form is required.

AML Requirements – Please refer to your account manager

Key person Cover

The company takes out a plan on a 'key' person to provide for loss of profits / calling in of loans on his / her death or serious illness.

Life assured = key person

Proposer / plan owner = company i.e. ABC Ltd

Payer of premium = company i.e. ABC Ltd

The plan is NOT issued in trust. No trust form is required.

Irish Life Requirements

Protection Application Form / Declarations and Consents

- **Declaration to Irish Life Assurance plc** – life assured is individual keyperson. He / she signs declaration as life assured – 'the first person'.
The company is the 'proposer'/plan owner. A company director or company secretary signs the declaration 'for and on behalf of ABC Ltd'
- **Declaration under regulation 6(3) of the Life Assurance (Provision of Information) Regulations 2001** – customer is the company. A company director or company secretary signs the declaration 'for and on behalf of ABC Ltd'. This is not signed by the life assured. It is recommended that someone other than the "Key person" sign the application "for and on behalf of the company" as the proposer / plan owner.

Underwriting Questionnaire - Key person and Business Loan Cover Questionnaire

- **Key Person Cover** – if cover to protect loss of profit or replacement cost.
- **Business Loan Cover** – where cover is to protect company borrowings

Anti-Money Laundering Requirements – Please refer to your account manager

Company Requirements

Board Resolution

The decision to effect cover should be minuted at a board meeting of the company.

Key person Applications: It is recommended that someone other than the "Key person" sign the application "for and on behalf of the company" as the proposer / plan owner.

For more information please see our Business Protection Adviser Guides available in the Business Protection Section on www.bline.ie

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