

Relevant Life Insurance

What is Relevant Life Insurance?

Relevant Life Insurance is a policy taken out by the business to provide an employee with life cover in the form of a lump sum. This policy runs for a term which is established at the outset and is an alternative to Group Life Assurance should you wish to insure specific individuals.



When is the benefit payable?

The benefit is payable upon death of the individual. The money is paid by the insurer to the trustees to pass onto the employee's nominated beneficiaries. The benefit also pays out upon diagnosis of a terminal illness.

Tax treatment of premiums

Relevant Life Insurance is not currently a P11D benefit.

Tax treatment of benefit

The policy is written under trust so the lump sum benefit for employees usually falls outside of their estate. Therefore, it is not usually subject to inheritance tax.

Medical underwriting

As the benefit is for an individual, medical underwriting is required. Any concerns around medical disclosures can be discussed with underwriters prior to the application being submitted.

What if the employee leaves the business?

If the employee leaves the business, they can still be protected, usually without extra underwriting. They can convert the policy to a personal policy or transfer to their new employer.

When does cover cease?

The policy has a fixed term which can be arranged in line with the businesses requirement.

Contact information

Should you have any queries regarding Relevant Life Insurance or any other Employee Benefit or Business Protection requirements then please do not hesitate to contact us at:

EBenquiries@thecleargroup.com

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