

# 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. This 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

Premiums are usually viewed as an allowable business expense, rather than a benefit-in-kind. They may be treated as an expense for the company when calculating its tax liability.

### Tax treatment of benefit

The policy is written under trust so the lump sum benefit for employees falls outside of their estate. Therefore, it is not 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?

There is not a fixed term for this policy. Cover can be arranged to suit your business.

## Speak with our specialist team

Ready to future-proof your business and support your people, get in touch. [ebenquiries@thecleargroup.com](mailto:ebenquiries@thecleargroup.com)

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