**BUSINESS PROTECTION INSURANCE POLICIES**

Meta Description:

An article describing business protection, key person, and relevant life insurance policies.

Keywords:

life insurance, business protection, key person, relevant life, protection policy, business policy, insurance policy, key man, key woman, key executive, business life insurance.

Business protection policies:

Business protection policies help business owners plan for the unexpected by providing cover to ensure that their businesses continue to function smoothly – with almost no major disruption – following any kind of loss, be it deaths of key persons, critically-ill executives, or any sort of temporary disability. Unlike other common insurance policies, this is a business policy whose premiums are borne by the place of work of the executive. Such business protection policies are of two types – key person protection policy, and relevant life insurance policy.

Key person protection policy:

Key person protection policy is a life insurance policy that an organization purchases on the life of a key man or a key woman. Since this policy involves the life of one or more executives, it is a business life policy. It is bought by the employer of the key person (on behalf of them). This policy is required when anything untoward were to happen to such an important executive would affect the organization’s future in a disabling or devastating manner.

For some small to medium-sized businesses, the key person involved may be the founder, the owner, etc. while in larger companies, it may include the board of directors, the chiefs of staff, and so on. Sometimes, it is taken out on the only person capable of running the organization.

Relevant life insurance:

A perk usually awarded to employees of an organization, a relevant life policy is taken out on people such that when the relevant person dies, the policy pays out to the staff’s next of kin. This is an alternative for companies that find group life policies expensive, or if the number of staff present are low. This is very different from a key person insurance policy, wherein the death of the person results in the pay going towards the company and not the family of the person.

Various factors taken into consideration include the health of the person, their age, and their lifestyle habits. After such calculations, the policy is underwritten by the insurer on the person of interest.