

## Business financial questionnaire (July 2010)

The following guidelines set out any additional information Bright Grey will need from you in support of the application.

### Amount of cover guidelines

For Life Cover up to £1,500,000 or Critical Illness Cover or Life or Critical Illness Cover up to £400,000, on this application, or the total business cover, it is not Bright Grey's normal practice to request any additional financial information. The guidelines below will apply where the amount of cover on this application, or the total business cover, is above these levels. However, if during the underwriting process it appears the amount of cover is disproportionate to the business risk, we may ask for more information.

Life Cover				
Amount of cover	Business financial questionnaire	Last 3 years' reports and accounts	Questionnaire countersigned by accountant, solicitor or bank manager	Other additional financial information
Up to £1,500,000	Not normally required	Not normally required	Not normally required	Not normally required
£1,500,001 to £2,000,000	Yes	Not normally required	Not normally required	<b>Corporate loan</b> – copy of loan offer. Depending on the lender it may be possible to allow up to £2,000,000 Life Cover without a copy of the full and final loan offer. Please contact Bright Grey for more details.
£2,000,001 to £5,000,000	Yes	Yes	Yes	<b>Corporate loan</b> – copy of loan offer. <b>Key person</b> – copy of company valuation report, copy of service agreement/CV. <b>Partnership/shareholder cover</b> – copy of company valuation report, copy of double option or buy and sell agreement.
Critical Illness Cover or Life or Critical Illness Cover				
Amount of cover	Business financial questionnaire	Last 3 years' reports and accounts	Questionnaire countersigned by accountant, solicitor or bank manager	Other additional financial information
Up to £400,000	Not normally required	Not normally required	Not normally required	Not normally required
£400,001 to £700,000	Yes	Not normally required	Not normally required	Not normally required
£700,001 to £1,000,000	Yes	Yes	Yes	<b>Corporate loan</b> – copy of loan offer. <b>Key person</b> – copy of company valuation report, copy of service agreement/CV. <b>Partnership/shareholder cover</b> – copy of company valuation report, copy of double option or buy and sell agreement.

The maximum amount of cover available for business cover is £1,000,000 for Critical Illness Cover or Life or Critical Illness Cover and £5,000,000 for Life Cover.

### Collective/linked lives

If you are applying for cover on more than one person in the same business (whether this is with Bright Grey or not), we will add together the amounts of cover to decide what financial information we need. Where the total cover for the business is more than the limits above, we will need the appropriate financial information above.

### Key person protection

For key person protection, the total amount of cover should not be more than:

- 5 times the average net profit that is attributable to the key person, taken over the last 3 years.

Any profits would be assessed over the last 3 years and would have to be attributed to the key person.

If the company has suffered a gross or net loss in any of the previous 2 years, we will need an explanation of the reasons for the loss, steps taken to correct this and the key person's role in this.

For a new or start up business (no financial history available) we will need a copy of the business plan, details of the role the key person will play and their track record and CV.

If more than one person is applying for cover under a key person arrangement the total cover should not exceed the total profit multiples.

### Commercial loan protection

For Life Cover in excess of £1,500,000 we will need a copy of the loan offer. Where a number of applications are being proposed, it is possible for Bright Grey to consider multiple applications covering the full loan amount for each key person in certain circumstances, please contact Bright Grey for further details.

<b>Personal details</b>	company name/applicant	
	name of person covered 1	plan number (if known)
	date of birth        /        /	date of application (if applicable)        /        /
	name of person covered 2	plan number (if known)
	date of birth        /        /	date of application (if applicable)        /        /
	name of person covered 3	plan number (if known)
	date of birth        /        /	date of application (if applicable)        /        /

**Please answer all questions relevant to the person covered's circumstances. Please remember that failure to answer the following questions truthfully and accurately may affect the payment of benefit(s).**

Please state the reason for the plan. If there is more than one reason for the plan please indicate all that apply and complete all relevant sections.

<b>Business loan cover</b> <b>Key person cover</b> <b>Shareholder and partnership cover</b> <b>Other</b> (please specify)	<input type="radio"/> (Please complete sections A, B, E and F)
	<input type="radio"/> (Please complete sections A, C, E and F)
	<input type="radio"/> (Please complete sections A, D, E and F)
	<input type="radio"/> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>

(Complete section A and give full details in the 'Additional information' section.)

# Section A

To be completed for ALL applications

<b>1 Are any current applications being made to Bright Grey or any other company for this person, or any director or employee within the company?</b> <b>Person covered</b> <b>Insurance company</b> <b>Start date</b> <b>Policy type and term</b> <b>Amount of cover</b> <b>Reason for cover</b> <b>Will this application go into force?</b>	<input type="radio"/> No <input type="radio"/> Yes If Yes, please give details		
	<b>policy 1</b>	<b>policy 2</b>	<b>policy 3</b>
		<input type="radio"/> No <input type="radio"/> Yes	<input type="radio"/> No <input type="radio"/> Yes

Please continue in the 'Additional information' section if necessary.

<b>2 Do you have any existing policies for life, critical illness or income protection (including death in service arrangements) for this person, or any director or employee within the company?</b> <b>Person covered</b> <b>Insurance company</b> <b>Start date</b> <b>Policy type and term</b> <b>Amount of cover</b> <b>Reason for cover</b> <b>Are the existing policies to remain in force?</b>	<input type="radio"/> No <input type="radio"/> Yes If Yes, please give details below and indicate all policies which are to be cancelled or replaced by this application. This should include details of any Bright Grey plans.		
	<b>policy 1</b>	<b>policy 2</b>	<b>policy 3</b>
		<input type="radio"/> No <input type="radio"/> Yes	<input type="radio"/> No <input type="radio"/> Yes

Please continue in the 'Additional information' section if necessary.

<b>3 Are there any other applications being made to Bright Grey or to any other company in the market for this person or any other employee or director of the company?</b>		
<b>4 Company or partnership details</b>	<b>name</b>	
	<b>type of business</b>	<b>number of employees</b>

## Section A continued

<p><b>5 Please provide details of the business's trading figures over the last 3 years and future projections.</b></p> <p><b>Turnover</b></p> <p><b>Gross profit</b></p> <p><b>Net profit (before tax)</b></p>	<table border="1"> <thead> <tr> <th>year</th> <th>year</th> <th>year</th> <th>projections</th> </tr> </thead> <tbody> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> </tbody> </table> <p>(i) If a gross or net loss has been reported in the last 2 financial years or will be reported in the current year please provide copies of the latest 2 years' reports and accounts. Where a loss has been reported please provide an explanation of why this occurred and details of any actions undertaken.</p> <div style="border: 1px solid gray; height: 40px; width: 100%;"></div> <p>(ii) If this is a new business please forward a copy of the full business plan, including projections.</p>	year	year	year	projections												
year	year	year	projections														
<p><b>6 What total remuneration has the person covered received in each of the last 3 years?</b></p> <p><b>Remuneration (i.e. salary, bonus, P11d benefits and dividends)</b></p>	<table border="1"> <thead> <tr> <th></th> <th>year</th> <th>year</th> <th>year</th> </tr> </thead> <tbody> <tr> <td>person 1</td> <td></td> <td></td> <td></td> </tr> <tr> <td>person 2</td> <td></td> <td></td> <td></td> </tr> <tr> <td>person 3</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		year	year	year	person 1				person 2				person 3			
	year	year	year														
person 1																	
person 2																	
person 3																	
<p><b>7 If the person covered is a shareholder/partner, please show the percentage of the business they own and the current value.</b></p>	<table border="1"> <thead> <tr> <th>percentage of business</th> <th>%</th> <th>current value</th> <th>£</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	percentage of business	%	current value	£												
percentage of business	%	current value	£														
<p><b>8 Please explain fully why cover is being taken out on the person covered and why this plan and the amount of cover have been selected. If the amount of cover has been based on the business trading figures or the person covered's earnings, please provide full details of the figures used and any calculations applied.</b></p>	<div style="border: 1px solid gray; height: 100%; width: 100%;"></div>																

## Section B

To be completed for loan cover

- 1 Please provide the following details of the loan or alternatively forward a copy of the full and final offer letter from the principal lender.

Repayment type

reason for loan

name(s) of borrower(s)

amount of loan

term of loan

what is the name of the lender?

what is the interest rate?

- Interest only  
 Capital and interest  
 Other

If Other, please give full details

- 2 If the term and amount of cover of the plan are different to the term and amount of the loan, please provide full details of why this plan is required.

- 3 Are there any additional policies being taken out on this or any other person in connection with this loan?

No  Yes

If Yes, please give details

- 4 If the loan is being made to the business, why is the plan specifically required on the person covered?

# Section C

To be completed for key person cover

	Person 1	Person 2	Person 3
<p><b>1</b> Please detail fully the effect on this business that the loss of each person would have.</p>			
<p><b>2</b> How was the amount of cover you have applied for calculated for each key person?</p> <p>Please provide trading figures for the business over the last 3 years if you are basing the amount of cover on your turnover.</p>			
	month/year		
	turnover		
	gross profit*		
	net profit*		
*if a gross or net loss is shown, please enclose copies of the last years' reports and accounts.			
<p><b>3</b> How much of the gross profit of the business is attributable to each key person?</p>			
<p><b>4</b> Please tell us why each person is considered to be key to the business.</p>			
<p><b>5</b> Please tell us how long each person has been in service with the business.</p>			
<p><b>6</b> Please tell us their duties and responsibilities.</p>			
<p><b>7</b> Other than the person(s) covered that are detailed on this form, is the business also applying for insurance on any other key people, or is there any other key person cover in place?</p>	<input type="radio"/> No <input type="radio"/> Yes If Yes, please tell us the name of the person to be covered and the amount of cover.		
<p><b>8</b> How many people does the business employ?</p>			
<p><b>9</b> What portion, if any, of the benefit will be passed on to the person(s) covered?</p>			
<p><b>10</b> Please supply details of any service agreement for the person(s) covered.</p>			

If this key person policy is also intended to cover any loan or company financing agreement please also complete Section B.

## Section D

To be completed for shareholder or partnership cover

1 What is the value of the business?											
2 Who performed the valuation?											
3 How was the valuation calculated?											
4 How many shareholders/partners are in the business?											
5 What percentage of the business does each of the shareholders/partners hold?	<table border="1"><thead><tr><th data-bbox="579 517 1038 562">Name</th><th data-bbox="1050 517 1509 562">Percentage</th></tr></thead><tbody><tr><td data-bbox="579 568 1038 613"></td><td data-bbox="1050 568 1509 613"></td></tr><tr><td data-bbox="579 620 1038 665"></td><td data-bbox="1050 620 1509 665"></td></tr><tr><td data-bbox="579 672 1038 716"></td><td data-bbox="1050 672 1509 716"></td></tr><tr><td data-bbox="579 723 1038 768"></td><td data-bbox="1050 723 1509 768"></td></tr></tbody></table>	Name	Percentage								
	Name	Percentage									
6 Are plans being taken out on all shareholders/partners?	<p><input type="radio"/> No <input type="radio"/> Yes</p> <p>If No, please let us know why not.</p> <p data-bbox="579 869 1509 920"></p>										
7 Will there be a double option agreement or buy and sell agreement in place?	<p><input type="radio"/> No <input type="radio"/> Yes</p> <p>If No, what obligation exists to give rise to the need for insurance?</p> <p data-bbox="579 1012 1509 1066"></p>										
8 If you are applying for Critical illness and/or Life or Critical Illness Cover, does the double option or buy sell agreement set out what should happen in the event of a critical illness?	<p><input type="radio"/> No <input type="radio"/> Yes</p>										



## Section F – Declaration and consent

<p><b>I declare that:</b></p>	<ul style="list-style-type: none"> <li>the answers I have given are, to the best of my knowledge, true and that I have not withheld any material information that may influence the assessment or acceptance of the application(s).</li> </ul>
<p><b>I agree that:</b></p>	<ul style="list-style-type: none"> <li>this questionnaire will constitute part of the application for a protection plan and that failure to disclose any material fact known to me may result in a claim being declined and the policy cancelled.</li> </ul>
<p><b>I agree to:</b></p>	<ul style="list-style-type: none"> <li>inform Bright Grey in writing of any change in circumstances between the date of the application and the plan starting.</li> </ul>
<p><b>Signature of the plan owner</b></p>	<p>signature</p> <p>date        /        /</p>
<p><b>Third party signature (e.g. accountant, solicitor, bank manager, etc.)</b>          For certain applications the information given in this form needs to be confirmed by an independent third party. These are usually professional people who know the financial affairs of the applicant(s) but are unrelated to the sale, e.g. solicitor, accountant, bank manager, etc.          I declare that the information supplied in this form is, to the best of my knowledge, true and complete.</p>	<p>signature</p> <p>date        /        /</p> <p>please print your name</p>
<p><b>Occupation and qualifications</b></p>	<p>address</p> <p>postcode</p>





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