

GEMSTONE LEGAL

BANKING | FINANCE | CONSULTANCY | RISK

Protecting your future

Personal Guarantee Insurance



A Personal Guarantee

As a condition of raising business finance, Directors are often required to provide additional security to the lender by signing a Personal Guarantee.

By signing a Personal Guarantee, the Director is placing his or her personal estate at risk; if the business fails the lender can seek recoveries from the Director personally.

In most cases, signing a Personal Guarantee can be a key component in securing business finance. Directors are, therefore, willing to provide a Personal Guarantee to secure business finance so their business is able to pursue its growth objectives.

Personal Guarantee Insurance is an annual insurance policy that provides Directors with cover in the event the business lender calls on their Personal Guarantee following insolvency.

Key features include:

1. **Competitive premiums and cover** available across a wide range of business loans
2. Insurance available for:
 - a. Existing or new Personal Guarantees
 - b. Multiple Personal Guarantees
 - c. One or more guarantors
3. **Unlimited access to Business Support Services;** a group of specialist advisors who are at your side should your business need support
4. **Full quotation in minutes** using our online quote and buy system or via telephone with one of our specialist advisors
5. Insurance policy insured by Markel International, **an A-rated leading insurer**

Please note, Gemstone Legal Limited does not provide advice or services in this area of insurance and is a registered introducer of Purbeck UK Limited (trading as Purbeck Insurance Services).

Purbeck UK Limited is a company registered in England and Wales with company number 10345620 and has its registered office at 20 – 22 Wenlock Road, London, N1 7GU.

Purbeck UK Limited is authorised and regulated by the Financial Conduct Authority with Firm Reference Number 756820.

Despite the best intentions of Directors, things can sometimes go wrong – things which are often outside of their control such as failure of customers or suppliers, regulatory changes or macroeconomic factors.

In the unfortunate event the business becomes insolvent, the lender can call on the Personal Guarantee to recover some of the shortfalls due on the outstanding finance obligations that the business owes to the lender.

Personal Guarantee Insurance can have significant financial impacts for Directors and can prevent the loss of personal wealth.





Personal Guarantees provided against:

	Secured loans	Unsecured loans
Policy term:	Annual policy	Annual policy
Details of cover:	Cover is based on a fixed percentage: <ul style="list-style-type: none">• Year one and thereafter: 80%	Cover is based on a fixed percentage: <ul style="list-style-type: none">• Year one: 60%• Year two: 70%• Year three and thereafter: 80%
Payment terms:	Annual or monthly payment options available	Annual or monthly payment options available
Maximum level of cover:	£400,000	£300,000
Access to Business Support Services:	Yes - unlimited	Yes - unlimited



Personal Guarantee Insurance

Personal Guarantee Insurance has been designed to give Directors the confidence to do business, focus on growth objectives and protect their personal estate.



Scope of cover:

Personal Guarantee Insurance is available for Personal Guarantees provided against a wide range of business loans:

Secured loans (where the lender has a charge, debenture or right of title against business assets) which typically include:

- Asset finance
- Commercial mortgages
- Invoice finance
- Other secured loans

Unsecured loans (where the lender does not have a charge, debenture or right or title against business assets) which typically include:

- Credit cards
- Overdrafts
- Peer to peer loans
- Short-term working capital loans
- Other unsecured loans



Business Support Services:

The Support Desk is staffed by experienced business advisers who are available to help you in order to support any financial issues your business faces. They are committed to working with you to ensure that your business continues to be successful.

The Business Support service may help you by introducing you to specialists in:

- Business recovery
- Cash flow management

- Credit control management
- Debt management
- Financial restructuring
- Invoice disputes

The Business Support service is available to you at any time and not just following a notifiable event.



Notifiable Events:

We are at your side and here to help. Your business may at time suffer from any one of a number of financial or trading difficulties. It is important that we are notified as soon as you become aware of any of these – we call these notifiable events.

You need to read your policy carefully to ensure you are aware of all such situations, some examples of notifiable events include:

- County Court Judgements
- Inability to repay debts or creditors as they fall due
- Unexpected expenditure which cannot be met from available cash resources

When you make us aware of a notifiable event we will introduce you to our Business Support Services.

Multiple guarantees?

We can include multiple guarantees on your policy if you have two or more guarantees in place.

More than one guarantor?

Where the personal guarantee has been signed by two or more Directors "jointly & severally" we can include additional Directors on your policy.

