Could your client's business be left paying the price of unprotected success?

This is the story of Philip Carter, successful businessman and executive director of Chelsea Football Club. His story shows why protecting a business is so important.

As well as being an executive director of Chelsea Football Club, Philip Carter was the founder and entrepreneurial force behind the Carter & Carter training group.

Over 15 years, Philip built up Carter & Carter from nothing to a market value of £500 million. With a personal stake in the business worth £100 million, financial security should not have been an issue for Philip and his family.

Tragically in 2007, the situation changed overnight. Coming home from a Chelsea match, the helicopter he was flying crashed, and he died along with his son and 2 others.

Philip died with no succession policy in place

Following his premature death, a number of profit warnings were issued and ultimately the share price of Carter & Carter crashed from a high of £12.75 just before his death, to 82.5p before being suspended.

The banks lost confidence in the business and the administrators were called in. Unsecured creditors received pennies in the pound, with most of the workforce losing their jobs and the £100 million shares he left to his estate became virtually worthless.

The company did not have any life assurance on Philip. This kind of cover could have prevented some of the complications, giving the company some financial backing. This could have been used to support the firm, avoiding the profit warnings, loss in share price and the bank's confidence often associated when the head of an organisation is suddenly no longer around.

Important notes

For financial advisers only. Not to be distributed to, nor relied on by, retail clients.

Value of business (GBP)

500m

Drop in share price after Carter's death

93%

No one knows when death or illness might happen. Show your clients how they could benefit by protecting their business with LifePlan, from RL360°.

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