



# Business Protection Trust Process

LV= are now able to accept a PDF scanned copy of the original trust deed. The process for this is explained below. Please note: If this is not completed fully, the trust may be invalid, which will cause delays in the event of a claim.



**Print and fill out** the paper version of the trust document (templates and guide documents are available [here](#) – wet signatures required).



**Email us** the completed trust deed to: [BP@LV.com](mailto:BP@LV.com) – if you haven't been given a start date. [GoLive@LV.com](mailto:GoLive@LV.com) – if you have received terms and you have a start date.



**You will receive feedback** from the Trust Team informing about any required changes that need to be made – please respond with the amended deed attached.



**Once the complete trust deed has been received**, LV= will apply the deed subject to a 'Final Copy' – an email will be sent to provide you with the Policy Number and Start Date implemented for the deed to be updated.



**Please arrange for the original deed to be updated** with the policy number and start date and provide a copy of the Final deed to LV= at [BP@LV.com](mailto:BP@LV.com)



**The Trust Team will respond** to confirm that this has been noted and no further action is required.

Please ensure you send us the Final Copy as soon as possible with the policy number and start date. Regular chasers will be issued via email to the contact email on the case. If LV= do not receive the final trust within 5 months of the start date we will contact the customer directly to request the document and check whether the cover is still required, and advise them of the next steps.

## Relevant Life Cover

### What could happen if there is not a completed final trust in place at point of claim?

- It is down to the policyholder's discretion who the money is paid to as LV= would be paying the policyholder the benefit as they are the **plan owner**.
- The funds paid to the policyholder would most likely have to be accounted for as a trading receipt and could attract corporation tax (19-25%).
- Should the policyholder then choose to distribute those funds (say to the intended original beneficiaries) they would be treated as a distribution and could attract either income or dividend tax. Furthermore, these funds could increase the value of the deceased's estate and cause an IHT liability.

## Shareholder / Partnership / Key Person Protection

### What could happen if there is not a completed final trust in place at point of claim?

- Normally where a trust is in place, we would pay the claim to the named trustees under the trust.
- Without a trust in place, the proceeds would usually be paid to the original policyholder, or if they are deceased, we would be paying the claim to the legal personal representatives of the deceased policyholder's estate.
- This means the proceeds of the policy would then be included in the estate of the deceased policyholder, and this may lead to additional inheritance tax being payable on the deceased's estate.
- The policyholder's estate has no legal obligation to provide this payment to the Company, or to the other shareholder / partners. If the policyholder's estate re-directed the benefit to either the business or the surviving shareholder / partners this could incur unanticipated taxation liabilities.

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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**PROTECTION**