



Personal Guarantees connected to unsecured loans present a much greater risk to a Directors personal assets as loan recovery is not usually mitigated by proceeds from the liquidation of company assets. The Director made a wise choice in protecting his position in light of current economic uncertainty

Keir Cox, Operations Director

£250k

Funding amount

£250k

Personal Guarantee insured

Unsecured
Loan

Type of loan

£184k

Net assets

£250k PGI cover for manufacturer of cryotherapy chambers

Overview to the deal

This was a particularly interesting business, the client manufactured, sells and maintained cryotherapy chambers to sporting institutions, including a few Premier League football clubs.

The client took on an unsecured peer-to-peer loan at the beginning of March to invest in building their stockpile ahead of a strong order book.

The pandemic caused one or two delays for their orders and in the early stages of lockdown it was difficult to arrange maintenance of the equipment, which adversely impacted company revenues for a short period, but we examined the company cashflow closely and still felt confident to offer terms.

Business revenues quickly returned as measures were put in place and restrictions were eased, the client was pleased to protect to the risk posed to personal assets by way of Personal Guarantee Insurance enabling him to focus on growing the business.

Interesting facts about the case:

-> We can cover up to £300,000 of Personal Guarantees given in support of unsecured lending per company

-> Make sure you take the time to full understand the risks associated with a Personal Guarantee before committing to sign. Independent legal advice should always be considered before signing a Personal Guarantee.

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