

**Personal Guarantee Insurance is a tool to help mitigate your personal risk when taking on finance to complete acquisition of a business, either leveraged against existing assets in the business a Director is buying or on an unsecured basis.**

**Keir Cox, Operations Director**

£300k

**Funding amount**

£100k

**Personal Guarantee insured**

Invoice  
Finance

**Type of loan**

£300k

**Net assets**

## £100k PGI cover for buyout of security services firm

### Overview to the deal

The business is a specialist security services company that specialise in the design, supply, installation and support of CCTV, access and security systems. The Director was introduced Purbeck by a registered finance broker to look at personal guarantee insurance connected to an invoice finance line.

The Director was using the invoice finance line to leverage cash against the existing company debtor book he was acquiring to complete the management buy-out. Although the Director had bought companies previously using the same method, he had never been asked to sign a Personal Guarantee in connection with a facility in the past and was reluctant to risk his personal assets to support getting the deal over the line.

We worked closely with the Director to ensure that a quotation was in place ahead of completion allowing the Director to focus on the mechanics of getting the deal over the line whilst providing valued peace of mind.

### Interesting facts about the case:

- > This was the first time the Directors have had to sign a Personal Guarantee.
- > It is common for Personal Guarantees to be required as part of invoice finance funding arrangements.
- > Despite best intentions, things do not always go to plan when acquiring a business, no matter how good it looks on paper, so it makes sense to consider Personal Guarantee Insurance cover for any Personal Guarantees attached to debt finance to protect against the unexpected.

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