PGicover

PARTNER GUIDE

Who Personal Guarantee Insurance works best for

A one-page guide for broker partners. September 2026.

THE PRODUCT IN THREE LINES

Personal Guarantee Insurance reimburses a company director for part of what they pay when a lender enforces their personal guarantee. It pays after the company's insolvency process has finished, only while the policy is active, and it pays the director, never the lender. The loan and the guarantee stay exactly as signed.

THE MARKET, FROM OUR 2026 RESEARCH WITH VENTURE FOR CANADA

- **74%** of founders have signed a personal guarantee. **60%** did not clearly understand the clause.
- **82%** of lenders require a guarantee always or often. **59%** always.
- **61%** of founders did not know this insurance exists. **89%** want ways to reduce their personal risk.
- **88%** of advisors would explore an insurance option for a client facing a guarantee. **68%** of lenders want more information about it.
- Founders trust lawyers first (**27%**) and accountants second (**24%**) on this question. The broker who raises it early becomes that trusted voice.

THE BASELINE: WHO QUALIFIES

MUST BE TRUE	DETAIL
A director	The insured is a director of the company that borrowed. Cover ends if they stop being a director.
A private Canadian company	Incorporated in Canada, outside Quebec.
A personal guarantee of $50,000 or more	Guarantees up to $1,000,000 are considered.
A business loan or credit facility	Term loans, operating lines, equipment finance, acquisition loans, Canada Small Business Financing Program loans.
Any age of company	Startups are eligible. Underwriting looks at the business, the loan and the guarantor.

BEST FITS: RAISE IT EVERY TIME

- **Business buyers.** Acquisition loans and seller notes almost always carry a guarantee. The buyer signs at the closing table, often for the largest sum of their life.
- **Owners expanding.** New equipment, a second location, a bigger operating line. Personal exposure in expansion lending commonly sits between $250,000 and $500,000.
- **First-time borrowers and startups.** The lender asks for a guarantee because there is no track record. The founder has the most to lose and the least experience of the clause.
- **Owner-operators with the family home behind the business.** Where the home is named as security or is the main personal asset.
- **Owners renewing or refinancing.** A fresh facility is the cleanest moment to insure the guarantee.

WHAT IT DOES NOT DO, SO YOU NEVER OVERSELL IT

It does not: remove the guarantee, pay the whole loan, pay at the first demand, prevent a default, or protect every personal asset. It caps part of what a business failure costs the director personally.

EDGE CASES: HOW TO ANSWER THEM

SITUATION	ANSWER
An angel investor backs a founder's loan	Eligible only if the investor is a director of the borrowing company. If they guarantee without a directorship, they do not qualify.
A seller who took a vendor note and guaranteed the buyer's bank loan	Same test. Only as a director of the company that borrowed. A seller who has stepped off the board is not covered.
A buyer with an earnout	A good fit. The guarantee usually outlives the earnout. The policy is claims-made and renews yearly, so the buyer can carry cover for the life of the exposure and stop when it ends.
Two or more directors on one guarantee	Each director is a separate applicant. Co-guarantors are handled by hand. Send them to us.
A spouse who co-signed but is not a director	Not covered. The policy insures directors only.
A guarantee on a commercial mortgage	Not yet confirmed. Ask us before quoting.
A guarantee signed years ago on a facility still running	Eligible, subject to underwriting. Apply before any sign of trouble: cover applies only to events reported while the policy is active.
The business is already in difficulty	Not a fit. A demand, a default or a meeting with an insolvency professional must be reported, and cover cannot be bought once the problem exists.
A company in Quebec	Not available.
A lender wants to be named on the policy	No. There is no loss payee, assignment or certificate. The policy pays the director, who settles with the lender.
The client wants to tell their lender they have it	Advise against it. The policy is the guarantor's own risk decision, not part of the loan negotiation.

HOW THE PARTNER PROGRAM WORKS

1. Sign up in two minutes at app.pgicover.com/partner/signup and get your own referral link.
2. Your client applies online in about ten minutes and gets an instant pre-approval. A firm quote follows underwriting.
3. Every application through your link is tracked to you, and you earn a referral fee on each new policy. Fees are paid monthly.
4. Licensed commercial lending brokers can be set up to view their clients' file progress.
5. The business can pay the premium annually or monthly by direct debit.

WHERE TO SEND QUESTIONS

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