

About Personal Guarantee Insurance

Personal Guarantee Insurance (PGI) protects business owners from part of the personal loss that follows when a lender enforces a personal guarantee. PGicover is the first provider of the product in Canada.

The problem

Most business loans come with one condition: the owner personally guarantees the debt. A personal guarantee is a promise to repay the loan yourself if the company cannot. It sits outside the corporation, so limited liability does not protect against it. It is usually enforced only after the business has failed, when a business loss becomes a personal one that can reach savings, investments and the family home.

What PGI does

PGI is a policy held by the director who signed the guarantee. If the company goes through an insolvency process, that process concludes, and the lender enforces the guarantee, the insurer pays the director a share of the final amount the lender demands, up to the policy limit, less the director's contribution. The director then pays the lender.

- Professional support to help negotiate a demand down before it is settled.
- A support desk for financial guidance when a business is under strain.

Who it is for

- Directors of private companies incorporated in Canada, outside Quebec.
- A personal guarantee of at least $50,000 on a business loan, signed or about to be signed. Guarantees up to $1,000,000 are considered.
- Business buyers, owners expanding, and startups. There is no minimum time in business.

What it does not do

- It does not cancel the guarantee or change the loan. The lender's rights are unchanged.
- It does not repay the loan or pay the lender. Payment goes to the director.
- It does not prevent default, insolvency or business failure. It caps what a failure costs the owner personally.
- It is claims-made: cover applies only to claims first made and reported while the policy is active and premiums are paid.

Why it matters now

28.6%
rise in Canadian business insolvencies in 2024

$294K
average Canada Small Business Financing Program loan, generally guaranteed

60%
of founders surveyed did not clearly understand the guarantee they signed

89%
of founders surveyed want ways to reduce their personal risk

How it works

1. CHECK
Instant pre-approval online in about ten minutes.

2. APPLY
Details on the company, loan and guarantee, plus recent financials.

3. QUOTE
A firm quote after underwriting by a specialist team.

4. COVER
The policy starts once the premium is paid. The loan is unchanged.

Apply: app.pgicover.com
Learn more: pgicover.com
Partners and advisors: app.pgicover.com/partner/signup
Contact: pgicover.com/contact

PGicover is a brand of PGI Canada Ltd. Policies are underwritten by a regulated insurer and administered by a specialist personal guarantee insurance team.

Terms, conditions, exclusions and limits apply; the policy wording governs. Sources: Canadian insolvency statistics, 2024; Canada Small Business Financing Program data; PGicover and Venture for Canada research, 2026 (103 founders, lenders and advisors).