What Would Happen to Your Business if Something Happened to Your Key Executives?

Companies regularly insure their buildings, inventory, equipment and phones — their tangible item so that they can be replaced in case of a fire or some other type of disaster. One asset that is often overlooked is the individual or group of individuals who contribute significantly to the companies’ success. What would happen to your business if you had to replace your key people due to death or should they decide to leave the company? Like tangible assets, insurance protection can be provided on these key employees.

**Example:**
Eric Webster, age 45, works at DataPro as a Senior Programmer. Eric’s expertise and his network of contacts has contributed significantly to the success of the company. Eric’s annual salary is $100,000. Bill Martin, the owner of the company, knows that if something were to happen to Eric, his business would be negatively affected.

Bill purchases a life insurance policy for $800,000 on Eric based on eight times Eric’s annual salary. The company is the owner and the beneficiary of the policy.

The company can access the company’s cash value for business purposes if needed. When Eric retires at age 65, Bill can either transfer the policy over to Eric or keep the policy as a business asset. If Eric should pass away, the company can use the death benefit to cover the expense of replacing him.

Key Person Life Insurance:
- Assures creditors of a smooth transition
- Assures customers that the business will run as usual
- Covers the expense of finding and training a suitable replacement
- Provides the company with a valuable asset on the company’s balance sheet that can be used for unexpected corporate expenses
- Potentially can be used by the company to fund supplemental retirement income for the key employee

Protect the business you have worked so hard to grow. Call us today, we can help.

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800.422.7536