

Real-life examples of insurance at work Coverage in Action

From
Buckman-Mitchell, Inc. - Financial & Insurance Services



Why Do I Need...

Key Person Life?

Jeff Moses, president of Auto Custom Carpets, was on his way home from a business trip in Ohio when tragedy struck. The small airplane he was riding in lost control and crashed into a creek near Talladega, Ala. The plane exploded upon impact, killing everyone on board.

Jeff Moses' death left a huge void in the company's leadership team. Not only was Moses the president and co-owner of Auto Custom Carpets, he was also a charismatic sales leader whose product knowledge and extensive industry experience were integral to the company's success. Without Moses leading the way, the company could expect an immediate and precipitous drop in sales revenue.

The future of Auto Custom Carpets—and its 150 employees—hinged on the ability of the two remaining

partners to quickly find and recruit a qualified replacement before the company's working capital dried up.

and training a replacement.

The infusion of capital from the Key Person Life policy enabled Auto

Key Person Life Insurance policy enabled Auto Custom Carpets to remain solvent in the midst of tragedy.

Thankfully, the executive team had the foresight to purchase a Key Person Life Insurance policy for each of the three partners. Key Person Life Insurance is simply life insurance on a "key" employee in a business. The business owns the policy, pays the premiums and is named the beneficiary. In the event of the death of the key employee, the business receives the insurance payout, allowing it to remain solvent during a time of flux and uncertainty. The money can be used to make up for lost sales revenue, fund a buy-sell agreement or cover the cost of finding

Custom Carpets to sign an experienced sales professional away from one of their competitors, and less than 30 days after the tragic crash, the company was back up and running at full speed.

Is your business similarly prepared to survive the loss of a key employee? Not sure? Contact Buckman-Mitchell, Inc. - Financial & Insurance Services at 559-733-1181 to discuss whether Key Person Life Insurance is the right fit for you.

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