

THE ACEC BUSINESS INSURANCE TRUST

KEY PERSON INSURANCE



Protecting your firm's most valuable assets — the people whose unique talents, skills, and experience contribute substantially to your firm's success.

ARE YOU PROTECTED?

Certain businesses rely on founders, top performers, or innovative thinkers whose talents are critical to the business' long-term success.

Key Person Insurance helps stabilize a business after losing a key employee to death or disability.

HOW IT WORKS

The policy is secured by the business who pays the premiums and owns the policy. Should a covered employee die or become disabled, the organization receives the benefits, tax free.

Proceeds can be used to find a replacement or cover loss of revenue.

DEFINING KEY EMPLOYEES

The death or disability of a key employee would:

- Destabilize an organization's standing with employees and vendors
- Create a void that cannot be filled by current personnel
- Impair the business' credit standing or ability to secure financing
- Require a financial obligation to be met (i.e., stock redemption, benefit payment, or debt repayment)

SIMPLIFIED UNDERWRITING

Firms participating in The ACEC Business Insurance Trust Program, administered by Marsh Sponsored Programs, a service of Seabury & Smith, Inc., are now able to take advantage of this unique offer through our partnership with Mercer H&B Executive Benefits, a service of Mercer Health & Benefits Administration LLC.

Unlike obtaining coverage for traditional life and/or disability policies, **Key Person Insurance requires no medical exam and/or company financial information.**

SOLUTIONS...DEFINED, DESIGNED, AND DELIVERED.

Related News

Key California "Green" Visionary Dies Suddenly — The death of a 38 year old project manager is seen as a setback for a Los Angeles college sustainable building program.

Source: enr.construction.com

Principal in Structural Testing Firm Dies from Unknown Cause — Business seeks to cope with loss of pioneering engineer who spearheaded changes to federal inspection standards.

Source: enr.construction.com

Company Closes for a Month Due to Injured Director — A Minneapolis business, employing about 30, was forced to close for nearly a month after the company's director of operations was severely wounded. The injured executive was out of work for nearly four months.

Source: bizjournals.com/twincities/news

AGREED SUM

Estimating a person's value can be complicated by insurer limits, which are often capped at ten times the key person's compensation. Our insurance professionals can calculate your business' risk, determine necessary coverage, and secure high-limit policies (if necessary). The worksheet below provides a starting point.

How much is enough?
Determining the amount of protection needed

Effect on debt covenants	\$ _____
Employment contract	\$ _____
Contribution to earnings	\$ _____
Impact on market valuation	\$ _____
Replacement cost	\$ _____
Training cost	\$ _____
Opportunity cost	\$ _____
Less in-force insurance	\$ (_____)
Total estimate needed	\$ _____

KEY PERSON INSURANCE CONTACTS

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Statements concerning legal matters should be understood to be general observations based solely on our experience as insurance brokers and risk consultants and should not be relied upon as legal advice, which we are not authorized to provide. All such matters should be reviewed with the client's own qualified legal advisors in these areas.

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