

Safeguarding business stability with key person term life insurance

Client profile

Business:

Mid-sized marketing
agency

Key person:

Chief Strategy Officer
(CSO)

Age:

45

Policy type:

10-year OPTerm policy

Coverage amount:

\$2 million

Rate class:

Preferred Plus

Monthly premium:

\$102.56

Annual premium:

\$1,206.64



Background

A growing mid-sized marketing agency relied heavily on its Chief Strategy Officer (CSO) to drive high-value client acquisitions, oversee strategic initiatives and position the company for long-term success. The CSO was instrumental in securing major contracts and developing the company's competitive edge.

The agency's leadership recognized that if something happened to the CSO unexpectedly, it could cause significant financial and operational disruptions. Losing such a key leader would not only impact client relationships but also hinder the company's growth and stability.

Challenge

The company needed a financial safeguard to address the risks associated with the potential loss of their CSO. The key concerns included:

- **Loss of revenue** due to disrupted client relationships and stalled projects.
- **Recruitment and training costs** associated with hiring a qualified replacement.
- **Business instability**, making it difficult to maintain investor and client confidence.

Without a plan in place, the company risked losing its competitive standing and long-term profitability in the event of the CSO's untimely passing.

Solution

William Penn Life Insurance Company, a Legal & General America company, provided a 10-year key person term life insurance policy on the CSO, delivering a \$2 million financial safety net to cover revenue losses and hiring expenses. This solution ensured business continuity and aligned with the company's long-term strategic growth plan.

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Key benefits of the solution:

- **Financial protection:** The policy provided necessary funds to offset revenue loss and transition costs.
- **Business stability:** Operations could continue smoothly even in the face of leadership changes.
- **Strategic coverage planning:** Affordable premium options fit within the company's budget without overextending resources.

Outcome

By securing key person term life insurance with William Penn, the agency protected its future from financial uncertainty, ensuring that it could retain key client accounts, maintain cash flow and invest in hiring and training a new CSO. The policy allowed the company to continue executing its strategic growth initiatives without disruption, giving leadership peace of mind.

Key takeaways

- ✓ **Key person term life insurance safeguards businesses from financial loss due to the unexpected passing of a crucial employee.**
- ✓ **Policy funds cover hiring and transition costs, ensuring continuity in leadership.**
- ✓ **Strategic coverage planning supports long-term business stability and investor confidence.**

Start protecting your business today

If your company depends on key employees, having a key person term life insurance policy is vital. Let's help safeguard your business's financial future.



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