

# 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:**

\$94.87

**Annual premium:**

\$1,116.10



## 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

Banner 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.

# 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:**  
\$94.87

**Annual premium:**  
\$1,116.10

## 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 Banner Life, 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.



Characters are not actual Legal & General America clients. Stories created for illustrative purposes only.

Legal & General America life insurance products are underwritten and issued by Banner Life Insurance Company, Urbana, MD and William Penn Life Insurance Company of New York, Valley Stream, NY. Banner Life products are distributed in 49 states and in DC. William Penn products are available exclusively in New York; Banner Life is not an authorized New York insurer and does not do business in New York. The Legal & General America companies are part of the worldwide Legal & General Group. OPTerm policy form # ICC21-DTCV and state variations. Premiums are guaranteed to stay level for the initial term period and increase annually thereafter. Premiums quoted include \$90 (Banner Life) and \$80 (William Penn) annual policy fee. Premiums based on – preferred plus non-tobacco, preferred non-tobacco, standard plus non-tobacco, standard non-tobacco, preferred tobacco or standard tobacco underwriting classes. Rates as of 03.01.2024. Two-year contestability and suicide provisions apply. A one-year suicide provision applies in CO, MO, and ND. Policy descriptions provided here are not a statement of contract. Please refer to the policy forms for full disclosure of all benefits and limitations. CN03262025-7