

Real-life examples of insurance at work

# Coverage in Action

From  
RiskSOURCE Clark-Theders



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.

the cost of finding and training a replacement.

The infusion of capital from the key-

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### Key-person life insurance policy enabled Auto Custom Carpets to remain solvent in the midst of tragedy.

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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 critically important employee in a business. The business owns the policy, pays the premiums and is named the beneficiary. In the event of the death or other departure of the key employee, the business receives the insurance payout, allowing it to remain solvent during a time of uncertainty. The money can be used to make up for lost sales revenue, fund a buy-sell agreement or cover

person life policy enabled Auto 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 RiskSOURCE Clark-Theders at 513-779-2800 to discuss whether key-person life insurance is the right fit for you.

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