



THE COMMUNICATOR

Unique Ideas for Unique Risks

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We Sometimes Miss what is Key to Our Successes



Many of us rise every morning with at least a glint of optimism. Today will be better than the last. I will acquire more leads today, and I will close bigger and better deals. I will give extra effort to satisfy the constant demands of my business clients, and I will succeed. Something new will be brought to my table, and today will prove to be an exciting moment in my career. Well...maybe that is not realistic and overstatement of the truth. But we all hope for success (if we didn't, we wouldn't make it in this business), and as insurance professionals, we believe that the destiny of our

livelihood and prosperity rests mostly in our own hands. Some luck and various outside forces may intercede at times, but we only have ourselves to blame for failure.

Your clients are no different in their feelings about their own businesses. The "buck" stops with them. Yet many large and small business owners fail to grasp the absolute importance of their key employees and how crucial supporting roles can be to the financial accomplishments of a business. Owners may pay well, provide regular bonuses and substantial benefits as rewards for hard work and achievements, but do proprietors properly contemplate the detriment a loss of a key employee may bring to a flourishing business?

Thousands of Americans become disabled every year due to illness or injury, many of whom are key employees or business owners. A key person's inability to work may have a profound monetary effect on a company. The solution is disability insurance and more specifically, key person disability insurance.

Key person disability benefits allow for funds that may be used to scout, hire and train a replacement employee, or simply provide much needed capital to a business in transition. Benefits are commonly provided in one or two-year monthly payouts after short elimination periods or in lump sums after a 12 month wait. In this world of global corporations, wealthy hedge funds and large physician groups, key person monthly benefits can soar into the hundreds of thousands and lump sums can reach over \$100 million. The figures can be astronomical, but the benefit programs may be designed to best fit the

needs of each business owner no matter the size of the company and the justifiable benefit.

But the extraordinary value of a key person disability policy is that the benefits may be used by the beneficiary in any way the company sees fit. The cash can be used to supplement business revenue

or cover the company's overhead. The true nature of the product is to provide salary for a temporary or replacement employee, but there are no stipulations as to benefit use requirements. Key person disability insurance protects the business and sales contributions of which a business owner may not fully recognize the importance, because we sometimes miss what is key to our successes. Many times that "key" is the person or persons with whom we surround ourselves.



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