

# BUY-SELL FAILURE TO SURVIVE

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Solutions For The  
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FOR

- Business Buy-Sell
- Short Term Coverage
- Mergers & Acquisitions



**PETERSEN**

International Underwriters

*Lloyd's Coverholder*

23929 Valencia Boulevard Second Floor

Valencia, California 91355-2186

Telephone 800.345.8816

Fax 661.254.0604

E-mail: [piu@piu.org](mailto:piu@piu.org) Website: [www.piu.org](http://www.piu.org)

# BUY-SELL FAILURE TO SURVIVE

## BUY-SELL FAILURE TO SURVIVE

Any business with two or more owners should seriously consider having a buy-sell agreement in place. Once the buy-sell agreement has been established then there is the important need to provide a mechanism for funding the transfer of ownership should something happen to one of the owners. It is the unexpected situation of a premature death or disability which normally is the cause for alarm. The firm's assets are at risk and it is the job of the Buy-Sell Failure to Survive Plan to provide a solution to this situation.



### Policy & Underwriting Information

- Term of Insurance up to 12 months
- Renewals are considered if continued coverage is needed
- No medical exam or medical records required to apply
- A copy of the Buy-Sell Agreement and company financials are required at underwriting
- Benefit amount will not be able to exceed 100% of the ownership value

### Coverage would be appropriate for clients when...

- Coverage is needed immediately (24-48 hour underwriting)
- Insurable interests need to remain confidential
- Completing a medical exam would be an issue
- Proposed insured is temporarily out of the country
- Proposed insured must travel to war zones
- Coverage is needed for a short period of time
- Health issues are a concern
- Issue limits are a problem

This is not intended to be a complete outline of coverage. Actual wording may change without notice.  
Underwriters reserve the right to modify terms and benefits at time of underwriting.

## Exclusions

1. The insured person participating in any kind of race or endurance test.
2. The insured person flying as a pilot.
3. Suicide, intentional self-injury or the voluntary disappearance of the insured person.
4. Any emotional or psychiatric problems, including but not limited to neurotic disorders such as anxiety, phobias, depressions, dissociative disorders and obsessive compulsive disorders; psychotic disorders such as schizophrenia, paranoid psychosis and affective disorders; and personality disorders such as sociopathic personality.
5. A criminal act by the insured person.
6. The insured person abusing or having abused, or being under the influence of alcohol, drugs or controlled substances, other than drugs legally and appropriately prescribed by a qualified medical practitioner and properly used by the insured person.
7. Human Immune Deficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or any virus, complex or syndrome that is related to the foregoing or any sexually transmitted disease.
8. An act of terrorism involving the use or release or the threat thereof of any chemical or biological agent. If we allege that by reason of this exclusion any claim is not covered by this insurance the burden of proving the contrary shall be upon you.
9. The insured person engaging in or taking part in armed forces service or operations.
10. Nuclear reaction, nuclear radiation or radioactive contamination.
11. War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.



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Producer #: \_\_\_\_\_

## BUY-SELL FAILURE TO SURVIVE APPLICATION FORM

Policy Owner/Beneficiary (Not the insured): \_\_\_\_\_

Address of Policy Owner: \_\_\_\_\_

Type of Business: \_\_\_\_\_

### PERSONAL INFORMATION

Name of Insured Person: \_\_\_\_\_

Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

Occupation Including Duties: \_\_\_\_\_

Period of Insurance: \_\_\_\_\_

### INSURABILITY

Please answer the following questions about the insured to the best of your knowledge and provide details.

- |   |  |
|---|--|
| 1. Do you have any physical defect or infirmity?<br><input type="checkbox"/> Yes <input type="checkbox"/> No  | 5. Have you ever been declined or accepted on special terms for life, accident or illness insurance?<br><input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Have you ever suffered from high blood pressure, a heart condition, rheumatic fever or diabetes?<br><input type="checkbox"/> Yes <input type="checkbox"/> No | 6. Do you intend to engage in hazardous sports or any activities that expose you to personal injury?<br><input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Have you ever been diagnosed with cancer of any type?<br><input type="checkbox"/> Yes <input type="checkbox"/> No  | 7. Are you planning to undertake any foreign travel during the next 12 months?<br><input type="checkbox"/> Yes <input type="checkbox"/> No                       |
| 4. Have you at any time been physically or mentally unable to work during the last 12 months?<br><input type="checkbox"/> Yes <input type="checkbox"/> No       |  |

Details to the answers above: \_\_\_\_\_

### FINANCIAL INSURABILITY

Requested Benefit Amount: \$ \_\_\_\_\_

Please indicate the total financial loss in the event of death of the Insured. If any other financial documentation is available please send along with this application.

1. Ownership percentage of the insured person. \_\_\_\_\_
2. Value of the ownership. \_\_\_\_\_
3. Please submit the past two years Corporate/Company Tax Returns (all schedules).
4. Copy of the Buy-Sell Agreement.

### Declaration (The Applicant must read this before signing)

You should be aware that the policy wording contains exclusions in coverage in respect of AIDS, HIV, suicide, alcohol and drugs. To the best of my knowledge and belief the information provided in connection with this application, whether in my own hand or not, is true and I have not withheld any material fact. I understand that non-disclosure or misrepresentation of a material fact will entitle underwriters to void this insurance. (A material fact is one likely to influence acceptance or assessment of this application by underwriters.)

Insured's Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Policy Owner's Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_