

BUY-SELL FAILURE TO SURVIVE

“Providing Unique
Solutions For The
Corporate World”

FOR

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



PETERSEN

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BUY-SELL FAILURE TO SURVIVE

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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.

BUY-SELL FAILURE TO SURVIVE

Exclusions

1. Suicide, intentional self-injury or the voluntary disappearance of the insured person.
2. Active participation in terrorism or war.
3. Nuclear, biological or chemical exposure as a result of terrorism or war.
4. While committing or attempting to commit a felony.
5. 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.
6. Taking of illegal drugs, or addiction or misuse of prescription or non-prescription drugs.
7. Alcohol abuse or addiction, being under the influence of alcohol, as defined by the vehicle code of the state or province in which the offense has occurred.
8. 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.

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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: ____/____/____ Height: _____ Weight: _____

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. Does the Proposed Insured have any physical health problems or suffered from, been diagnosed with, received treatment for, or been prescribed treatment for any condition related to, or from a sickness of any kind? ☐ Yes ☐ No
2. Has the Proposed Insured ever been diagnosed with a heart condition, high blood pressure, diabetes or cancer? ☐ Yes ☐ No
3. Has the Proposed Insured at any time been physically or mentally unable to work during the last 12 months? ☐ Yes ☐ No
4. Has the Proposed Insured ever been declined or accepted on special terms for life, accident or illness insurance? ☐ Yes ☐ No
5. Does the Proposed Insured intend to engage in hazardous sports or any activities that expose him/her to personal injury? ☐ Yes ☐ No
6. Is the Proposed Insured planning to undertake any foreign travel during the next 12 months? ☐ Yes ☐ No
7. Does the Proposed Insured hold a valid pilot license? ☐ Yes ☐ 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).

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 _____