



## EXCEPTIONAL RISK ADVISORS

### BUY-SELL DISABILITY POLICY LARGE COMMODITIES FIRM

#### Client

A large commodities firm located in Texas whose business involves grain energy, freight and other commodities.

#### Situation

The client maintained a buy-sell agreement that failed to keep pace with the rapid growth of the business. The size of the insurance portfolio that was constructed to protect the shareholders required significant increases. The company board, consisting of a dozen shareholders, wanted \$33 million of coverage to fulfill the funding obligations on the commodities company's founder and CEO. The existing life insurance on the CEO only protected \$13 million, and his disability buy-out insurance rested at an even lower level, thus there was the need for additional protection.

#### Assessment

It was agreed that should adequate coverage not be in place and the CEO become disabled, that the cash strain would cripple the organization.

#### Solution

Exceptional Risk Advisors alleviated this risk by designing a disability buy-out plan providing the additional benefits required to protect the organization from the \$33 million disability exposure.

#### Result

The advisor procured additional term life insurance protection to fully fund the death repurchase clause of the buy-sell agreement. A disability buy-sell policy was funded to a \$33 million limit to pay a lump sum benefit if the CEO were to become disabled, pursuant to the definitions and trigger language of the disability repurchase clause.

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