



KEY PERSON DISABILITY PLACEMENT CONSTRUCTION SERVICES FIRM

Client

A Southern California construction services firm with \$25 million in revenue.

Situation

As a team, the CEO & CFO were responsible for the strategic growth and stability of the construction services firm. As such, the firm developed an Employee Stock Ownership Plan (ESOP) with the CEO & CFO owning \$15 million and \$10 million respectively.

Assessment

Without these two deal makers, the board realized the financial implications to the ESOP if one or both should go down due to an illness or disability. For these reasons, the board sought key person disability coverage for both the CEO & CFO to protect the ESOP.

Solution

Working closely with the advisor, Exceptional Risk Advisors designed two \$10 million key person disability policies for the CEO and CFO. The policies, payable to the firm in a lump sum after 12 months, provided a financial cushion for the board should the CEO and/or CFO be unable to perform their duties and relinquish their shares of the ESOP.

Result

With a key person disability insurance protection plan in place, the board could rest easy knowing the shares of the ESOP were protected if the CEO and/or CFO were permanently disabled.

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