

The Business Owner's Guide to Key Person Insurance



By Insureous Health Solutions

If your business depends on one or two key individuals—whether it's you, a partner, or a top employee—then losing them could create a serious financial hit. That's where **Key Person Insurance** comes in.

It's not just a policy—it's a plan to protect the future of your company.

What Is Key Person Insurance?

Key Person Insurance is a life (or disability) insurance policy that a business takes out on a key employee or owner. The business pays the premiums, owns the policy, and is the beneficiary.

If that person dies or becomes disabled, the business receives a tax-free lump sum that can be used to:

- Cover lost revenue
- Pay off debts
- Hire and train a replacement

- Provide stability to clients, investors, or lenders
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Who Counts as a Key Person?

A “key person” is anyone whose loss would negatively impact the financial health or operation of your business.

That might include:

- Owners, founders, or managing partners
 - Top salespeople or relationship holders
 - Specialists with unique knowledge or skills
 - Anyone whose absence would cause disruption or financial loss
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How It Works

1. Your business identifies a key employee or owner to insure
 2. You purchase a life (and optionally disability) insurance policy on that person
 3. Your business pays the premiums and owns the policy
 4. If the key person passes away or is disabled, the business receives the death or disability benefit
 5. Funds are used to cover costs, maintain operations, and protect business value
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Why It Matters

Without Key Person Insurance, your company could face:

- Loss of critical clients or income streams
- Difficulty paying expenses or salaries
- Delayed projects or growth plans
- Lender concerns or breached contracts

This simple solution can make all the difference when the unexpected happens.

Bonus: Helps with Loan Approval and Succession Planning

Many lenders **require** Key Person Insurance when granting business loans.

It's also a foundational element in **Buy-Sell Agreements** and business succession planning.

Let's Protect What You've Built

If your business relies on someone you can't afford to lose—let's put a plan in place now.

We'll help you:

- Choose the right type of policy
- Determine the appropriate coverage
- Set up and manage the plan so it grows with your business

 [Schedule a Free Review](#) or call 904-295-8498.