



EXCEPTIONAL RISK ADVISORS

BUY-SELL DISABILITY POLICY PAVING & EXCAVATING COMPANY

Client

Three business partners of a successful New Jersey paving & excavating company.

Situation

The company's buy-sell agreement required that if a partner became disabled, their equity, valued at \$15 million, had to be repurchased after 12 months. However, the partners lacked a funding mechanism to execute this requirement, exposing the business to financial risk in the event of a long-term disability.

Assessment

After a thorough review with the advisor and business owners, it became clear that the partners needed a strategy that balanced two key concerns. First, they required a financial safety net that would allow a disabled partner the time to recover without immediate financial distress. Second, the business needed a reliable funding solution to fulfill the buy-sell agreement without straining company resources. Without proper coverage, a disability could have created financial instability for both the affected partner and the business itself.

Solution

Exceptional Risk Advisors designed customized "own occupation" buy-sell disability insurance policies for each partner. These policies provided a lump sum benefit above and beyond their existing U.S. coverage after a 12-month waiting period, ensuring seamless execution of the buy-sell agreement.

Result

With this tailored solution in place, the partners could focus on growing their business, confident that they had a solid financial safeguard if one of them faced a career-altering disability.

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