



**KEY PERSON DISABILITY
EXECUTIVE AT MID-SIZED PRIVATE COMPANY**

Client

A key executive and equity stakeholder at a mid-sized private company backed by institutional investors.

Situation

After the successful sale of the company, the client and former CEO exited his business. However, after the new CEO failed to deliver new growth, investors chose to bring him back into the CEO role. On the way back into the business, the client personally reinvested \$5 million of his own equity, adding to a \$13 million position he chose to hold post sale. Recognizing his critical importance to the business, the board wanted to protect the company from the financial impact of his potential death or disability.

Assessment

The executive was essential to both the financial and operational success of the company. While \$10 million in key person life insurance was already in progress, there was no plan in place for a similar level of disability coverage. The advisor on the case reviewed the company's financial exposure, investment timeline, and how long it would take to recover if the executive became disabled. Underwriters were also brought in to evaluate the client's insurability and the available coverage limits.

Solution

Exceptional Risk Advisors structured a \$10 million Key Person Disability Insurance policy to match the life insurance already in place. The lump-sum benefit provides immediate liquidity if the executive becomes disabled, helping the company maintain stability, protect enterprise value and provide cash for corporate equity buy-back obligations. Terms were customized to reflect the executive's role, compensation, and ownership stake.

Result

With \$10 million in both life and disability coverage, the company had a fully coordinated Key Person Risk Management Program that strengthened financial protection and business continuity. Further, the insurance advisor reinforced their role as a strategic partner to the executive team and board.

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