

What is Key Person disability insurance

Objective

Protects small to medium-sized businesses from the loss of employees critical to the success of the business due to a total disability

Benefits

- Demonstrates financial stability
- Expense management assistance
- Benefits are generally received income tax free

Who is a Key Person

Typically someone who:

- Is critical to the livelihood of the business
- May or may not be one of the owners
- Is responsible for management decisions
- Is highly paid
- Has a significant impact on sales
- May have a special rapport with customers or creditors

How does it work



1. The employer pays the premium and is the owner of the policy insuring the key employee in the event of a Total Disability.
2. If the key employee becomes Totally Disabled, the employer receives benefits, generally tax-free.