

Can I insure the life of a key employee?

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The loss of a key person can be a major blow to a small business if that person is the key contact for customers and suppliers and the management of the business. Loss of the key person may also make the running of the business less efficient and result in a loss of capital.

Losses caused by the death of a key employee are insurable. Such policies will compensate the business against significant losses that result from that person's death or disability. The amount and cost of insurance needed for a particular business depends on the situation and the age, health and role of the key employee.

Key employee life insurance pays a death benefit to the company when the key employee dies. The policy is normally owned by the company, which pays the premiums and is the beneficiary. Contact an insurance agent or broker whose specializes in key employee insurance for more on how much it may cost for your company.

To locate an insurance company that specializes in key employee life insurance, go to the Rough Notes Company, Inc.

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