

Key person insurance

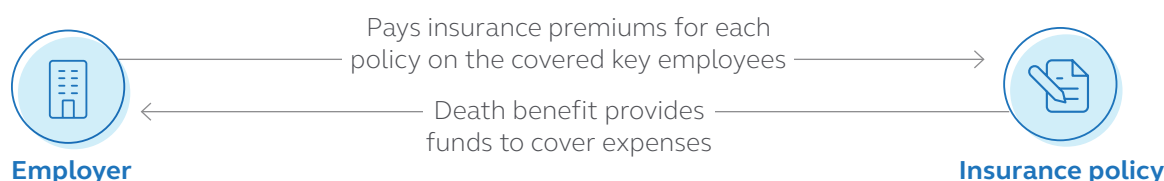
Recover from the unexpected loss of top talent.

Oftentimes, the most valuable assets of any business are the key people who contribute most to its success. They generate revenue, handle major responsibilities, and have a unique wealth of knowledge that seems irreplaceable.

Have you considered the amount of time and money it would take to replace your top talent? If their loss would create a financial burden that puts the business at risk, key person insurance can be a simple and efficient solution.

Here's how it works

Your business is the owner and beneficiary of a life insurance policy on the life of each chosen key employee, which can include business owners. If an unexpected death of one of the covered key employees does happen, the business receives funds, generally income tax-free, to help overcome the financial challenges of the loss.



Advantages

Immediate funds. Insurance benefits offset the cost of finding a replacement and loss of revenue.

Liquidity. The death benefit can help pay expenses of replacing a key employee.

Cash value potential with permanent policy. Potential cash values remain an asset on your balance sheet and can be used for other business expenses, such as a key employee benefit program.

Demonstrate financial stability. Creditors and clients want to know that the business has the funds necessary to continue.

Considerations

Flexibility. There are several funding options, including insurance. Carefully decide what is best for your business.

Impact on your assets. It's important to understand how key person life insurance will affect your capital and liquidity.

Multiple benefits. If key employee retention is a concern, consider funding your key person plan with permanent insurance to also provide a key employee benefit.

Key person insurance helps to give you added protection and confidence that your business will have the funds necessary to recover from the loss of top talent.



[Learn more](#)

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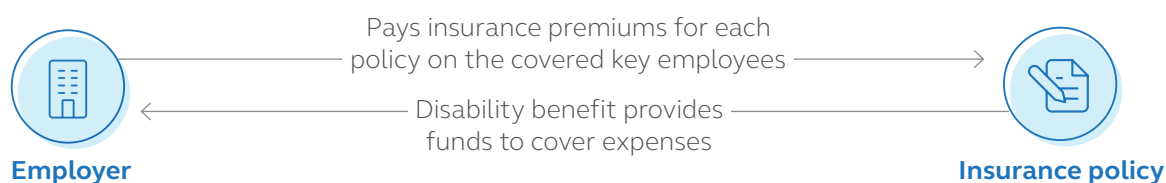
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Have you considered the amount of time and money it would take to replace your top talent? If their loss would create a financial burden that puts the business at risk, key person insurance can be a simple and efficient solution.

Here's how it works

Your business is the owner and beneficiary of the Key Person Replacement insurance policy on the life of each chosen key employee. If an unexpected illness or injury of one of the covered key employees does happen, the business receives funds, generally income-tax free, to help overcome the financial challenges of the loss.



Advantages

- Immediate funds—insurance benefits offset the cost of finding a replacement and loss of revenue.
- Offset temporary staffing costs.
- Demonstrate financial stability to creditors and clients.
- The business policy does not limit the personal income protection available from Principal® to your employees.

Key person insurance helps to give you added protection and confidence that your business will have the funds necessary to recover from the loss of top talent.



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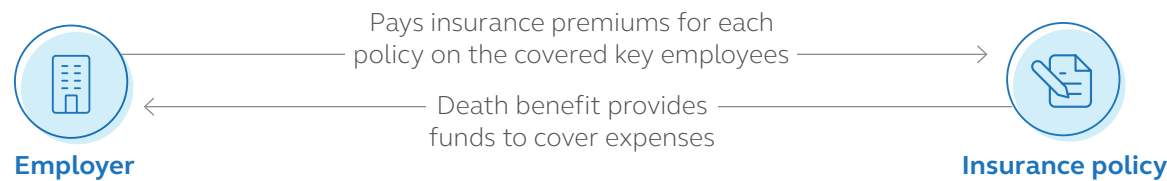
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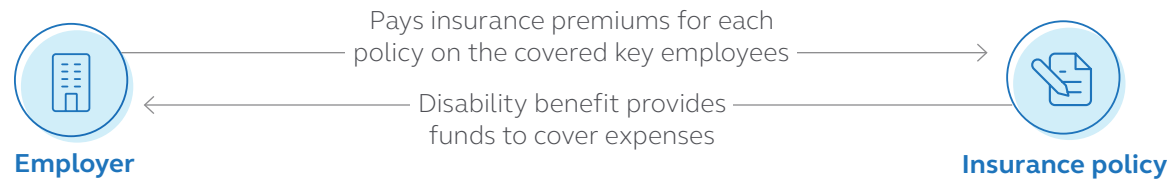
Protection for a loss

Principal® offers two solutions to help protect your business if the unexpected happens—life and disability insurance. For both, your business is the owner and beneficiary. If an unexpected death or disability of one of the covered key employees does happen, the business receives funds, generally income-tax free, to help overcome the financial challenges of the loss.

Key person life insurance. Available as a term or permanent insurance policy that provides a death benefit to help the business overcome financial challenges at the death of the key employee.



Key Person Replacement insurance. Provides business funds to help you overcome the financial challenge of the loss of a key employee if they become too sick or hurt to work.



Key person coverage can help you:

- Offset the cost of finding a replacement and loss of revenue during training.
- Cover temporary staffing costs.
- Demonstrate financial stability to creditors and clients.

Advantages

Immediate funds. Insurance benefits offset the cost of finding a replacement and loss of revenue.

Cash value potential with permanent policy. Potential cash values remain an asset on your balance sheet and can be used for other business expenses, such as a key employee benefit program.

Impact on your assets. It's important to understand how key person life insurance will affect your capital and liquidity.

Cost efficiency. Policies can provide attractive death benefit amounts relative to premium paid.

Personal Disability Income insurance potential. The business policy does not limit the personal income protection available from Principal to your employees.

Key person insurance helps to give you added protection and confidence that your business will have the funds necessary to recover from the loss of top talent.

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