FOR BUSINESS OWNERS

Key Person & Buy-Sell Insurance, Explained

6 min read · Guensdy Paulemon, Independent Life Insurance Broker

If you own a business, your personal life insurance needs are only half the picture. Most owners have never had two specific tools explained to them.

Key Person Insurance

If you (or a critical partner/employee) passed away unexpectedly, would the business survive? Key person insurance pays out directly to the business, giving it cash to cover lost revenue, find a replacement, or keep the lights on.

Buy-Sell Agreement Funding

If you have business partners, a buy-sell agreement determines what happens to a deceased owner's share. Most buy-sell agreements exist on paper with no actual funding — life insurance is the most common way to fund that buyout.

> Worth checking: If you have a buy-sell agreement already, is there an actual funding mechanism behind it, or just a promise on paper?

Where to start

- Identify who in your business is truly “key” to its survival
- Get a rough valuation of what it would cost to replace that person
- Review any existing buy-sell agreement for actual funding
- Consider both personal AND business coverage — they solve different problems

Want to see if your business has a gap?

Let's talk through your specific situation — no pressure, no obligation.

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