



KEY PERSON DISABILITY PLACEMENT ASSISTED LIVING CHAIRMAN & CEO

Client

Chairman and CEO of a company that owns and operates nearly 30 assisted living properties in the Pacific Northwest and is the pillar of the growing operation.

Situation

As the face of the company, the business savvy executive is the driving force behind the company's continued growth and financial stability. The current succession plan only provides coverage to fund the organization's exposure in case of the CEO's death and does not cover any unforeseen disability.

Assessment

With annual revenues in excess of \$75 million and 1,700 employees, it was apparent that the company was at a serious risk should the CEO become critically disabled. With the Board of Directors responsible for the CEO's succession planning, concern was expressed that without the key relationships maintained by their leader, the company would cease to grow and develop.

Solution

Exceptional Risk Advisors supplemented the traditional life insurance in place with a \$10 million key person disability policy, which protected the equity of the company in the event of the CEO succumbing to a disability. The corporate owned policy, which was designed to pay a lump sum distribution after a 12-month elimination period, was procured using the life insurance medical requirements, an application, and financial data.

Result

The \$10 million key person disability policy would replace lost revenue and aid in the recruitment of top real estate developers and property management firms for the running of the facilities and the continued growth of the organization in the event the CEO could not return.

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