

# GUARANTEED-ISSUE BUSINESS DISABILITY

*High Limit Protection*



**PETERSEN**  
International Underwriters

## Key Person DI

The majority of companies have key people who are essential to the success of the business. Whether these people are valuable because of their expertise, power, innovation or information, losing them (even temporarily) could be incredibly detrimental to a company. Key Person Disability Insurance provides crucial benefits to protect the company financially in the event that a key employee can no longer work due to a disability. Key Person coverage provides cash flow to help companies move forward and maintain a profit in the event that a key employee becomes disabled. In this situation, high limit disability insurance is invaluable.

The company could use the disability benefits to hire a temporary employee should the disabled employee's prognosis appear to be a short-term disability. In the unfortunate circumstance of a permanent disability, benefits would then be used to help defray the costs related to hiring a replacement employee, such as recruitment, training, startup, loss in revenue and unfunded salary continuation costs.

Key employees typically are those who may have the important clientele relationships, hold the company's major accounts, or know essential information that is imperative to the functioning of the business. If the key employee is totally and permanently disabled, this information may not be retrievable from the individual, leaving the company struggling to find alternate methods of recovering the information and maintaining relationships with key customers. These additional challenges become very expensive; Key Person Disability Insurance will cover them.



## Buy Sell DI

Businesses with more than one owner often draw up a buy out plan should one of the owners pass away. In the event of an unexpected death the buy/sell plan ensures the stability of the company. Unfortunately, while most people plan for an unexpected death, many overlook the possibility of an injury or sickness permanently disabling one of the partners; even though a disability is much more likely! Buy-Sell Disability Insurance is invaluable in this type of situation; Petersen International Underwriters offers many high limit disability insurance plans designed to cover their buy/sell agreements.

For a company, the sudden disability of a partner can be more detrimental than his or her death. In some cases the healthy partner is burdened by the disabled partner. The disabled owner, not able to productively contribute any longer (but now on the sidelines with lots of time on his hands), constantly raises concerns about how the company is being managed and suggests changes. In this case the disabled is still earning a salary but not contributing positively to the company and it would be in the company's best interest for the healthy partner or partners to buy out their disabled partner.

Prescribing adequate amounts of Disability Buy-Sell Insurance is a perfect solution to this problem, and an effective way to save the company from financial distress.



## Business Overhead Expense

When an individual is unable to work due to a disability, his or her personal life will not be the only victim. Personal disability plans will keep the disabled individual and their families living comfortably, but what will happen to their companies while they are unable to work? Companies need cash flow to pay the rent, keep the lights on, fulfill monthly paychecks and take care of other necessities. If a disability keeps them from working, his or her company could be forced to close for a short time, or even permanently. Businesses that close temporarily, even for a few months, often cannot regain their footing. PIU offers high limit disability insurance plans to keep companies functioning smoothly.

Petersen International Underwriters designed the BOE Insurance plan to continue to pay company operating expenses during the time of disablement. If the business owners' work is crucial to the company, obtaining a Business Overhead Insurance Plan is highly recommended and responsible. The plan will provide business stability during an unstable time for the company, and help to ensure the company's clients that despite the hiccup the company is strong and reliable. Business Overhead Insurance takes care of companies when the owner is not able to.



## Loan Indemnification

Often times, when a bank lends money to a business, they will require the borrowers to provide disability insurance covering the payments. This ensures the bank that, should the borrower become sick or hurt, the payments will still be made. The preferred solution would be to prescribe disability insurance that would pay the monthly loan payments and/or pay off the remainder of the loan balance.

Most often Business Overhead Expense insurance plan benefit periods are too short to satisfy the loan. Additionally, while it may be advantageous for the bank, asking an individual to assign his or her personal disability benefits to the bank would leave the insured's family seriously vulnerable financially.

PIU's Loan Indemnification Disability Insurance Plan will satisfy the bank requirements. Monthly benefit periods from 1 year to 10 years are available and there are also lump sum benefit options. The plan would be set up to mirror the loan terms with a declining benefit, this type of set up reduces premium costs.



## Severance

An interesting problem develops when the termination of an employee involves a severance package and part of that package is the requirement to continue benefits such as Long Term Disability Insurance. The HR Departments often times will panic when they realize they can no longer keep the terminated employee on the group LTD plan. Unfortunately, securing an individual plan is not an available option since the person is currently unemployed.

Disability coverage for a terminated employee and his or her family is a high expense, and certainly not a cost the company will want to cover. When the Traditional Market fails to provide an acceptable solution, Petersen International Underwriters can solve the problem with High Limit Disability Insurance. This type of insurance will guarantee that long term disability insurance plan in the severance package is upheld.



## Contract Guarantee

Signing a contract obligates both parties to stand by their initial agreement. Unfortunately, unforeseen circumstances can inhibit people and companies from carrying out the terms of the contract. One party's inability to fulfill the terms of the contract could mean the other party takes a huge financial loss.

Traditional Contract Guarantee plans may not have high enough limits to fulfill the needs; PIU's Contract Guarantee Disability Insurance will cover when other disability insurance agreements fall short. Whether this contract is between a company and employee, business partners, or divorced couples, almost all contractual relationships can be considered under this disability program.





**Derek S. Patterson**

Global Risk Broker & Associates

650 Cleveland Street, Suite 1668

Clearwater, FL 33755

P: (813) 540-2156

[info@GlobalRiskBroker.com](mailto:info@GlobalRiskBroker.com)

[www.GlobalRiskBroker.com](http://www.GlobalRiskBroker.com)

