



# Key *Person*

Protecting Your Business' Future



*The death of a key employee  
is certain to disrupt  
the operation of a business,  
and most likely result  
in reduced profits.*



## Protecting Your Future

Practically every company has “key” employees constituting the human factor responsible for the success of the business. There is no doubt the business would suffer a significant, material loss in the event of the death of such an employee. In addition to an immediate loss of profits, the business would suffer further losses, in the form of expenses, incurred while hiring and training a replacement. Just as fire insurance protects against the loss of plant, inventory or equipment, key person life insurance protects against the loss of human life value.

## What is Key Person Life Insurance?

The primary purpose of life insurance is to offset economic loss due to an individual’s death. It’s easy to understand how life insurance indemnifies a family for the loss of income of a working parent. Key person life insurance is similar except it is a business that is

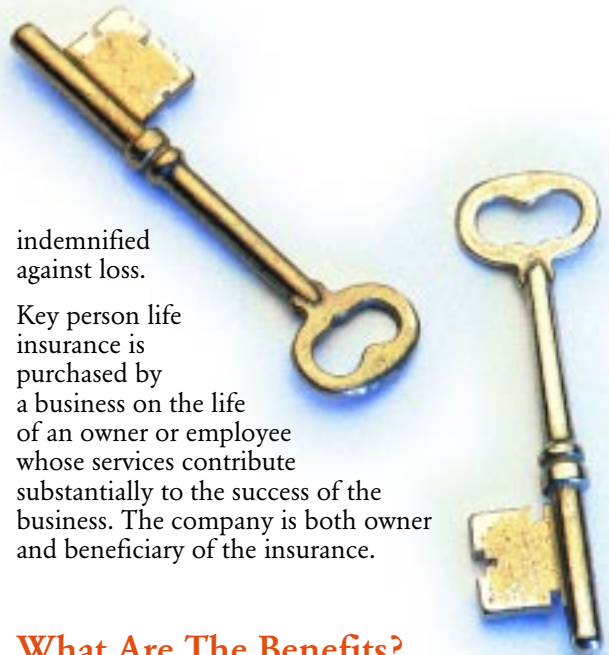
indemnified  
against loss.

Key person life insurance is purchased by a business on the life of an owner or employee whose services contribute substantially to the success of the business. The company is both owner and beneficiary of the insurance.

## What Are The Benefits?

- Assures surviving owners the business can continue operations.
- Assures customers the business can continue operations.
- Assures employees the business can continue operations.
- Assures creditors that loan payments will be made on time.
- Helps maintain established lines of credit with lenders and suppliers.
- Cash values can help maintain credit ratings and be used as collateral.
- Provides funds needed to locate, recruit, hire and train a replacement.
- Provides funds to help offset lost sales and profits.
- Cash values can help fund retirement benefits for the key employee.

Your Erie Family Life Agent can show you how key person life insurance can benefit you and your business.



This brochure is intended only to offer a general description of key person life insurance. Contact your Erie Family Life Agent to see how a key person plan can benefit you and your business.

Erie Family Life Agents may not be qualified to give legal or tax advice. It is recommended that individuals contact a qualified advisor regarding all such matters.



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