



## BUSINESS PLANNING

Key Person Life Insurance

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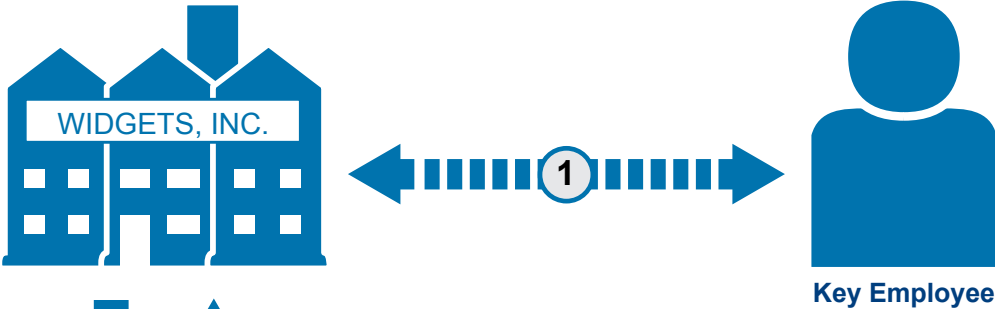
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BUSINESS PLANNING

KEY PERSON LIFE INSURANCE

- 1. The employer identifies a key employee whose death would result in financial loss to the business. The business gives notice that it intends to insure the employee’s life and obtains the employee’s written consent.



- 2. The employer applies for, owns and is the beneficiary of insurance on the key employee’s life. The premiums are not deductible by the employer.
- 3. When the employee dies, the business receives the proceeds to compensate for the economic loss suffered as a result of the key person’s death.

