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Arlington Insurance Planning Services (AIPS) was founded by Troy Barrow, LUTCF utilizing over twelve years of professional practice in the Insurance and Financial field and 20 years of local and international business management experience. The purpose of Arlington Insurance Planning Services is to service the needs of professional individuals and privately held business owners by offering specific proactive solutions for financial growth, estate conservation, business continuation, using insurance & financial products & services.

AIPS is affiliated with several top rated and well positioned Insurance carriers in the States we operate in, and in doing so we offer the versatility and value for our clients' needs in today's volatile business market.

We look forward to helping you meet your short & long term goals for success.



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## Key Person Protection A Business Continuation Strategy

Targeted Solutions with Life Capitalized ©

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ARLINGTON INSURANCE  
PLANNING SERVICES

## Your Key Employee - A Most Valuable Asset

As a business owner, you might agree that plenty of time was spent planning the birth of your business and building it into a going concern. Less time is generally devoted to developing business continuation strategies and contingency plans. That's understandable. Day to day business activities and "what if" questions typically focus on competition, consumers, government regulation, profit margins and the like.

What will happen in the event of the death of one of your key employees? Will that create a cash flow crisis? What if the key person were YOU? If you, or one of your key employees were out of the picture due to premature death or disability, would your business productivity suffer? Would your sales numbers suffer? What would happen to employee morale?

Here are some business continuation concerns you may want to consider:

- If a key person died or became disabled last night, would your business be able to train new personnel and replace that person's productivity, skills and ability, and if not, would there be a need for the money you've invested in the business?
- Would your business be able to continue the necessary level of productivity? Could you lose clients?
- This could affect your profitability, your corporate market position, your credit rating? Will your creditors lose confidence in your business's ability to pay?

The bottom line is: *Will there be a smooth transition of responsibility and productivity, will your business's financial future be protected?*

Key Person Insurance helps benefit business owners by:

- Freeing them of business worries.
- Establishing a business continuation fund.
- Eliminating the possibility of a forced sale.
- Instilling creditor confidence.

## Your Key Employee - A Most Valuable Asset

### The Key Person Protection Plan

Key Person Insurance (aka Key Man or Key Woman Insurance) is a life insurance or disability insurance policy that a company purchases on a key executive's life. The company is the beneficiary of the insurance policy and pays the premiums to the benefit of the members. This policy is also used to keep business leadership running smoothly in the event of an unexpected death or disability of a key person. Policies tend to be comprehensive but simple to understand and implement.

The company can use the insurance proceeds for expenses until it can find a replacement person, or, if necessary, pay off debts, distribute money to investors, pay severance to employees and close the business down in an orderly manner. In a tragic situation, key person insurance gives the company some options other than immediate bankruptcy. Most small-business owners think about and insure against the loss of its property and equipment. Yet, protection from the loss a key employee/ executive may be far more important. While you can't prevent the sudden loss of a key contributor to a business, you can minimize the impact felt by their disability or death—with key person insurance.

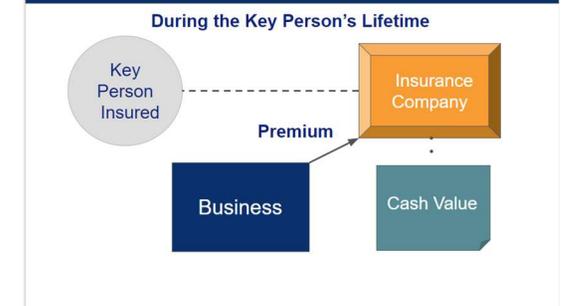
### Benefits of Key Person Insurance:

Protection for your organization due to the loss of a key employee due to death, disability or departure. It provides the financial cushion to help you recruit and replace those key employees. In addition, it increases retention by providing competitive benefits to reward and retain key employees.

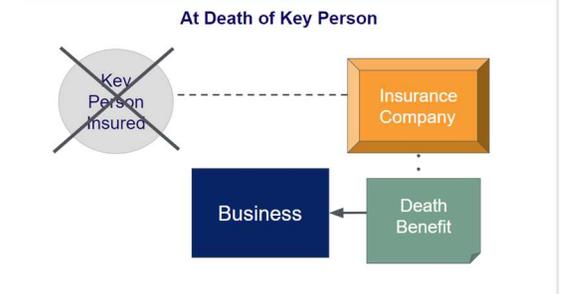
- ✓ Key employees recognize it as a valuable benefit
- ✓ Contributions that are not allowed due to IRS limitations, in qualified plans, may be restored
- ✓ Company incentive contributions can help recruit, reward and retain key employees

## Your Key Employee - A Most Valuable Asset

### How Key Person Insurance Works



### How Key Person Insurance Works



*Note: The example presented in this brochure is an oversimplification. Federal income tax and estate tax aspects have not been addressed. You should always consult with your tax professional regarding your situation*