

realLIFEstories[®]

Learn how a smart insurance strategy helped a business continue to thrive following the death of the company's president

No. 14 in a series

Plus: How insurance can protect your family, your partners and your business

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Auto Custom Carpets


Amanda Moses
and Ken Howell

Overcoming the Unthinkable

Amanda Moses was straightening up her home when the news came on the television. A small plane had crashed at the nearby Talladega, Alabama, airport. There were no survivors. Amanda's husband, Jeff, and four co-workers were aboard, on their way home from a trip to see clients in Ohio. In an instant, Amanda had lost the love of her life, and her sons, Josh, 22, and Eric, 17, had lost their father.

The accident also dealt a serious blow to Auto Custom Carpets, the world's leading manufacturer of automotive floor coverings. Jeff was the company's president and one of three partners. The accident wiped out most of the company's sales force, and now the jobs of more than 150 employees hung in the balance.

Ken Howell, one of Jeff's partners and a longtime friend, didn't panic. He knew the company would be all right because of a business insurance strategy put in place with the help of his friend and insurance agent, Larry Young, CIC, LUTCF. Life insurance policies for the partners funded a buy-sell agreement. With the proceeds from Jeff's policy, the two remaining partners bought out Amanda's stock, leaving them in control of the company. The



Ken Howell, Amanda Moses and insurance agent Larry Young, CIC, LUTCF

business had also purchased key-person insurance on the lives of all three partners. Within 30 days of the tragedy, money from this policy was used to hire a salesman from one of the company's competitors. As for Amanda and the boys, they're financially secure because of life insurance Jeff owned individually, plus the money Amanda received through the buyout. "I feel blessed that he loved us enough to have the foresight to take care of us," says Amanda.

How Insurance Can Protect Everything You've Worked So Hard to Build

PROTECT YOUR BUSINESS

In a small business, there are often certain employees who have a particularly critical impact on the bottom line. **Key-person insurance** is life or disability insurance purchased by the business on the life of a "key employee" and payable to the business. When a key person dies or becomes disabled, insurance can help make up for lost sales or earnings, or cover the cost of finding and training a replacement.

PROTECT YOUR PARTNERS

In the event of your death or disability, you don't want your business partners to have to scramble to come up with the money to buy out your share of the business. That's why it's important to have a **buy-sell agreement** funded with life and disability insurance. These agreements allow remaining business owners to buy the company interests of a deceased or disabled owner at a previously agreed-upon price.

PROTECT YOUR FAMILY

A properly funded buy-sell agreement can help ensure that your surviving family members will be fairly compensated for your share of the business in the event of your death or disability. **Individual life insurance** can provide family members with additional protection by making funds available to cover debts, ongoing living expenses and future needs such as education and retirement.