

What is Key Person Life Insurance?

This coverage is designed to protect your business upon the loss of a key employee. The tax-free proceeds from this policy can be used to find, hire and train a replacement, compensate for lost business during the transition, or finance any number of timely business transactions.

When is Key Person Life Insurance needed?

Key Person Life Insurance is often required in order to obtain funding. Venture Capitalists will want an assurance that they can recoup their investment if something happens to the founder of the company, or to the CTO.

Why do I need Key Person Life Insurance?

Key Person Life Insurance is a way for investors to protect their investment. Usually, one or two key people represent the technical genius or creative talent in a new venture. The sudden death of such a person can have a disastrous financial affect on the company. It can weaken the company's credit rating, or require the sale of a portion or all of the business if there is no way to cover costs while a replacement person is found.

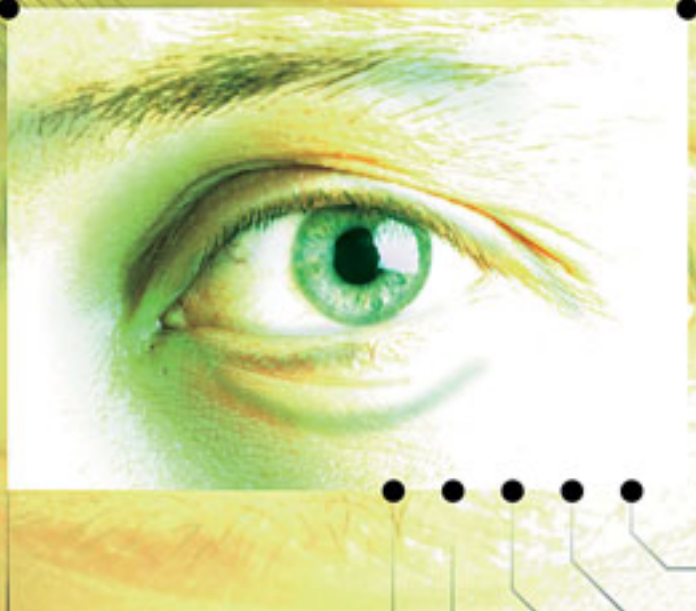
Insure Key Employees

Can I insure the life of a key employee? Human resources are a company's most important asset. Particularly in the case of financial companies, where the future success of the company is dependent on the founder remaining with the company. Accordingly, it is important for an emerging growth company to prepare for the unfortunate chance that the founder of the company or key personnel cannot carry out their responsibilities. Every business employs people whose contributions are of vital importance. In a small business, these key employees have a more direct effect on the bottom line, because you don't have multiple employees with the same skill sets and levels of talent. If your key employee's departure is planned, as in the case of retirement or voluntary termination, you can prepare for the loss and take steps to minimize its impact. However, if the employee becomes disabled or dies, the loss is unpredictable and leaves your business exposed to financial risks.

Loss of the key person may also make the running of the business less efficient and result in a loss of capital. Losses caused by the death of a key employee are insurable. Such policies will compensate the business against significant losses that result from that person's death or disability. The amount and cost of insurance needed for a particular business depends on the situation and the age, health and role of the key employee. Key employee life insurance pays a death benefit to the company when the key employee dies. The policy is normally owned by the company, which pays the premiums and is the beneficiary.

If you own your own business, it represents many things to you. A successful business is your livelihood, your security, and your investment for the future. It is a valuable asset that you can safeguard in a number of ways

If a key employee dies, the employer receives the policy's income tax-free death benefit and can apply it towards business expenses or losses caused by the employee's death.



Providing Business Insurance Since 1895

InsureHedge is a division of Gaston & Associates, Inc., a fourth generation family held independent insurance agency with a history dating to 1895. InsureHedge's marketing territory is national (and international) in scope, and we hold property-casualty and life-health licenses in all states except Hawaii.

InsureHedge is a risk management division focused exclusively on the unique coverage needs of financial exposures, and represents many leading companies in the financial community in a wide variety of ways. These range from ordinary business insurance responsibilities to the implementation of sophisticated retention plans to address the disproportionate relationship between high salaries and low exposure in the workers compensation needs of financial companies.

InsureHedge has become a world leader in all forms of professional liability insurance products for hedge funds and financial institutions by proactively anticipating changing client needs in order to offer the most up-to-date solution. We serve about three thousand clients in the U.S., Canada, Caribbean and in Europe.

Mission Statement

The mission of Gaston & Associates is to provide professional insurance services to the clients we represent.

- ✓ We strive to develop a customer base that will appreciate our service orientation and value added approach.
- ✓ We provide our clients with competitive, high quality insurance oriented products.
- ✓ We endeavor to maintain long-term customer relationships that are based on coverage and service.
- ✓ We embrace automation as a means to enhance service and improve communication.

To accomplish these goals, we establish departments, standards, workflows and procedures that enable us to provide a consistently high level of service to our customers. We staff each department with competent, ethical, individuals who are dedicated to continuing education and professional development.

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