

**BLOG**

# Does Your Startup Have a Life Insurance Policy on You?

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The first life insurance policies were written in 18<sup>th</sup> century London. In the few centuries since, not much has changed. It's a tried and true, standard coverage – but most people associate it with personal lines, purchased alongside health insurance and retirement plans. Not much attention is placed on the use of life insurance in the workplace.

Key person life and disability insurance is designed to protect companies financially in the event that revenue-driving employees are unable to work, either temporarily or permanently. The absence of these individuals would trigger economic hardship via loss in income, recruitment costs and more – and the funds given to policy holders are meant to directly address those problems.

Large corporations have been implementing this practice for almost 100 years, but recently smaller organizations – even startups – have begun weighing their options. Why? Because we're living longer. To underwrite a 48-year-old employee for a few million dollars might cost less than \$1,000 today, as their risk for serious illness and death during their employment term is far lower than it used to be. More coverage can be purchased on more employees for relatively low cost.

Roughly 100 million businesses are launched every single year, according to the [GEM Global Report](#). With this incredible number of startups in the ecosystem these days, any single one of those products or services has the potential to be the next big thing. Ensuring the business is secure if tragedy strikes on the swift rise to the top is crucial, and with startups notoriously spending the bare minimum on only what is necessary, it's encouraging to see them taking advantage of this smart coverage.

If you'd like to explore the possibility of key person insurance, reach out today: [jbergstein@risk-strategies.com](mailto:jbergstein@risk-strategies.com)

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**TAGS:**

Life Insurance

