

# DON'T LET YOUR CLIENT'S FIELD OF DREAMS BECOME THEIR PLACE OF NIGHTMARES

*Protecting the value of a star executive  
is more critical than ever*

By Frank Zuccarello

**A** baseball player slowly walks out of a cornfield and steps on to a baseball diamond. Confused, he looks around and sees an equally bewildered man staring back at him. The baseball player asks the young man, “Is this Heaven?” The man responds, “This is Iowa.”

Most people, even if they don't believe that the Pearly Gates are located just outside Des Moines, will recognize this scene from the 1989 film, *Field of Dreams*, featuring Kevin Costner. It's a story about a man

(Costner) who hears an inner voice urging him to create his dream—in this case a baseball diamond carved out of an Iowa cornfield.

The movie has been in the news lately because Major League Baseball, in an attempt to resurrect a grassroots feeling about what baseball *used* to feel like—before steroids, \$420 million contracts and people banging on trash cans—was in the process of building an 8,000-seat baseball park on the movie's site in Dyersville, Iowa (complete with a see-through wall in the outfield so you can see that famous cornfield). The intent was to play a game on August 13, 2020. That was, of course, before

the game and most of the sports world became COVID-19 collateral damage. With vaccinations now in full swing, Major League Baseball will try once again to get the game underway in the summer of 2021.

Still, even with the movie featuring the 1919 White Sox scandal, at its very core, *Field of Dreams* isn't so much a sports movie as it is a look at what drives people to build a dream and at what cost (all of Costner's neighbors think he's insane). But any dream worth building is a dream worth protecting, whether it has its origins in an Iowa cornfield, a Manhattan skyscraper or a garage in Los Altos,

California. And it's safe to say that with a horrible 2020 now in our rearview mirror, it's not hard to believe that many of our priorities have changed, or at least been readjusted. I believe it is now, more than ever, important that we protect the "dreamer," especially if they have seen that dream postponed or abandoned to some degree by the virus.

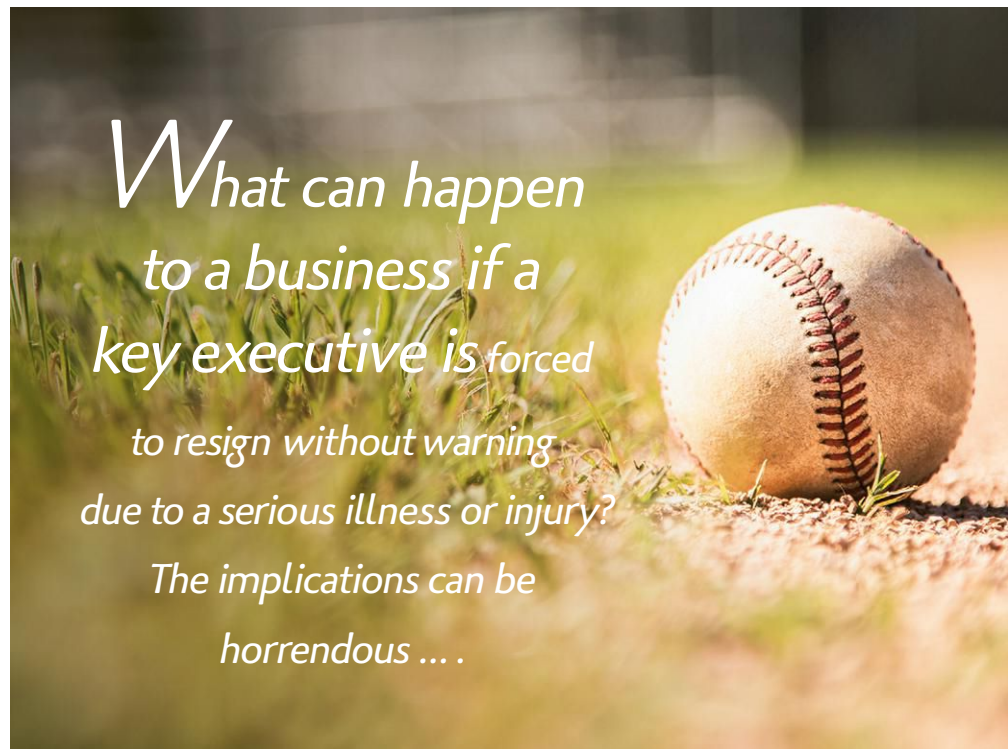
Still, if it's so important to protect the "dreamer," why is it that in a disturbing survey of some 1,400 business owners it was revealed that less than 15% had a plan if that key person were to become disabled. Admittedly, the chances of becoming disabled are difficult to calculate, ranging anywhere from 30% to 80%, depending on whose figures you happen to be reading. But a disability to a key person can devastate a company and wreak havoc on personal and business finances, as well as the company's future. Death can do all of this, too, but most people have life insurance to help mitigate the loss.

In today's competitive business environment, protecting the value of a star executive is more critical than ever. And the tools are right there in front of them. Using markets once reserved for elite athletes and entertainers, carriers such as Lloyd's of London have developed key person disability products designed to protect a company's most critical asset. These carriers have the ability to deliver disability benefits up to \$100 million for those individuals whose vision, knowledge and experience are critical to a company's operation and future.

For instance, let's say the executive at a newly formed ad agency is key talent because it's his brilliant creativity and strong relationship with the client that is responsible for bringing in \$250 million in billings from a major soft drink company. What would happen if that person were unable to provide his services? How can that agency invest millions of dollars in a steel-and-glass monument to their success, but not insure the person whose talent was responsible for building such a structure in the first place?

What can happen to a business if a key executive is forced to resign without warning due to a serious illness or injury? The implications can be horrendous—from liquidity problems, maintaining momentum, leadership issues and customer confidence, not to mention the disabled executive's personal and financial well-being.

Armed with stats, charts and graphs, it might seem like an easy task to provide Key Person Disability Insurance on an entrepreneur.



However, these individuals are hugely successful because of their grit, confidence and invincibility mindset. A study of 200 successful entrepreneurs by the Cox School of Business at Southern Methodist University found that entrepreneurs can be characterized by such qualities as:

- **Healthy.** They are used to working long hours and recover quickly when sick.
- **Control.** They want to be in charge and are willing to take responsibility.
- **Unusual awareness.** They grasp situations completely and recognize all the implications in a decision.
- **Conceptual ability.** Problems and chaos don't bother them because they can quickly position solutions.
- **Emotional stability.** They can handle stress in business and in their personal lives. Setbacks are challenges, not defeats.
- **Challenges.** They welcome challenges, but not risks. It may appear they are taking high risks, but in reality, they assess risks thoroughly.
- **The numbers.** They understand their financial position at all times.

Attempting to make entrepreneurs do something that runs contrary to the way they view themselves may be an uphill struggle, including purchasing disability insurance. Perhaps the best way is to start the conversation with something like, "You may never be disabled, but just in case ... ." Then you can segue into how if they become disabled, they will lose control of their "dream." That could very well be the wake-up alarm; taking a chance on

becoming disabled is something the entrepreneur can handle, but the possibility of losing control may be a far greater threat.

Unfortunately, many times, risk managers and their insurance advisors don't look beyond traditional channels to secure the needed key person disability coverage for their clients, partly because the cost of key person disability coverage is far greater than the cost of term life coverage. However, the risk of disability is proportionally greater than the risk of death.

The film *Field of Dreams* famously told us that, "If you build it, they will come." But we can easily rephrase it as, "If you present a needed product vital to the continuation of their dream ... they will buy it." There's also a scene in the movie where the voice in Costner's head tells him that creating his dream will "ease his pain." As an industry, we can relate to that. After all, when it comes to protecting our valued clients, isn't our ability to "ease the pain" the reason we do what we do? ■

### The author

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