



## EXCEPTIONAL RISK ADVISORS

### KEY PERSON DISABILITY PLACEMENT EQUITY FUNDED START-UP

#### **Client**

A 53-year-old technology star located in Silicon Valley, CA.

#### **Situation**

A renowned technology executive had accepted \$75 million to build an organization to create an instant messaging platform for use by financial options traders. Furthermore, he was provided an additional \$25 million of funding, should it be warranted. Serving as the CEO/CTO of the firm, the start-up's success rested solely on his shoulders, prompting the board to require key person insurance.

#### **Assessment**

In the technology sector, it is acknowledged that those who have mastered the code drive the success of an organization. In this case, not only did the CEO/CTO intimately understand the code required to make the organization successful, he also maintained deep relationships with those funding his organization. In addition, he maintained a close connection to those who would ultimately serve as key clients to the firm. For these reasons, he was deemed an irreplaceable element in the company's success.

#### **Solution**

Exceptional Risk Advisors designed a \$50 million key-person disability insurance policy, payable to the company in a lump sum after 18 months should the CEO/CTO become permanently disabled.

#### **Result**

With a reasonable level of key person disability insurance protection now in place, the board could rest easy knowing the start-up was protected if the CEO/CTO were permanently disabled.