

[Date]

[Name of Recipient]

[Title]

[Company Name]

[Company Address]

Subject: Proposal for Key Person Life Insurance Coverage

Dear [Recipient Name],

This letter is to formally propose the implementation of a Key Person Life Insurance policy for [Company Name]. Based on our recent assessment, we have identified [Key Person's Name] as an individual whose contribution is vital to the organization's continued stability and financial success.

The purpose of this policy is to protect the company against the financial loss that would result from the untimely death or disability of this key individual. The benefits of this coverage include:

- Providing immediate liquidity to cover recruitment and training costs for a successor.
- Protecting profits and stabilizing cash flow during a transition period.
- Assuring creditors, investors, and employees of the company's continuity.
- Funds for the potential redemption of shares or debt repayment.

Proposed Coverage Details:

- **Key Person:** [Name of Key Employee]
- **Face Amount:** \$[Amount]
- **Policy Type:** [Term Life / Whole Life / Universal Life]
- **Estimated Annual Premium:** \$[Amount]
- **Beneficiary:** [Company Name]

I have attached the detailed policy illustration and terms for your review. I would like to schedule a brief meeting next week to discuss how this strategy fits into your broader risk management plan.

Thank you for your time and consideration.

Sincerely,

[Your Name]

[Your Title]

[Your Phone Number]

[Your Email Address]