Insurance Keeps a Business in the Family

Ernest “Peanut” Folks took great pride in the fact that his son, Ernesto, chose to follow in his footsteps. Peanut owned P&A Collision, an auto body repair shop, and his plan was to one day pass along the business to his son. Life insurance never factored into Peanut’s plan until an insurance professional called on him. Peanut became convinced he should protect the business and its 10 employees.

Downturns in the business sometimes would make it hard for Peanut to make the monthly premium payment. He occasionally considered dropping the policy. Fortunately, his insurance professional, Jon Shoemaker, CLU, ChFC, LUTCF, understood how much he needed the coverage. When a payment was late, Jon would drive out to Peanut’s shop to pick up the check.

On one visit, Jon noticed Peanut didn’t look well and had lost weight. Soon afterward, Peanut got the worst possible news: He had an advanced stage of lung cancer. Doctors gave him just six months to live. The treatments that followed kept him away from work, and medical costs mounted.

Fortunately, Jon knew a way to ease Peanut’s burdens. A provision in his policy called an accelerated death benefit allowed him to access a portion of the death benefit while he was still alive, given his terminal diagnosis. In the months before his death at age 49, Peanut was able to pay off his debts and turn the body shop over to Ernesto. “The early payment allowed him to transition the business without having to borrow money or pass the hat,” says Jon. “It allowed him to go out with dignity.”
Life Happens®, a nonprofit organization dedicated to helping consumers make smart insurance decisions, and used with permission. The Independent Order of Foresters (IOF) is a members of Life Happens®, and has paid Life Happens® for the use and distribution of this information. This is not intended to be a sponsorship, endorsement or testimonial by Life Happens® regarding IOF or its products and services. This article provides general information about life insurance and does not relate to any specific IOF life insurance product.

Life insurance products are issued by The Independent Order of Foresters.

Foresters Financial and Foresters are trade names and trademarks of The Independent Order of Foresters (a fraternal benefit society, 789 Don Mills Road, Toronto, Canada M3C 1T9) and its subsidiaries.