Key Person Plus Strategy
Individual Life Insurance

Insurance products issued by:
Minnesota Life Insurance Company
Securian Life Insurance Company

BUSINESS PROFILE

Help businesses attract and retain key talent

Key person plus

Your sales opportunity

Business owner(s) wishing to:

- Reward and retain key people for their contribution to the company's success
- Provide key person protection for the business
- Provide an executive benefit of life insurance for the executive's dependents
- Potentially recover costs of the benefit

Solution: key person plus

Key person plus is an **endorsement split-dollar** executive compensation strategy. A business agrees to split the death benefit from permanent life insurance coverage on a key employee.[1] The company endorses a portion of the death benefit to the executive as a pre-retirement survivor benefit for the executive's beneficiaries and retains the remaining benefit.

Five valuable features

1. Economical death benefit for the executive
2. Business receives key-person protection from the remaining death benefit
3. Business may recover its costs
4. Employer has flexibility to use the policy's cash value for business purposes
5. Business may transfer ownership to the executive at retirement

Target client

Businesses with the following characteristics:

- Privately held
- Executives between ages 45-65
- Concerned with retention of key executives

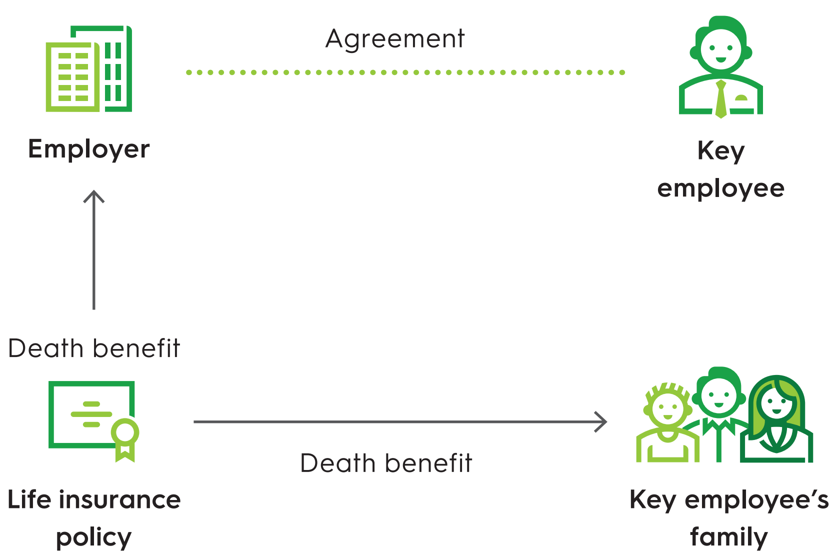
Key person plus may be offered to sales professionals, managers, executives and other highly compensated employees, as well as the business owner(s) in some situations.

How it works

- Company purchases a permanent life insurance policy on the life of the executive and pays all premiums
- Company owns the policy and endorses a portion of the death benefit to the executive as a pre-retirement survivor benefit
- Executive is taxed on the economic benefit of the premium based on the issuing insurance company's term rates or a table of rates provided by the IRS

If the executive dies while employed by the company:

The company receives a portion of the death benefit to recover its costs; the executive's beneficiaries receive the balance.



When the executive retires:

The arrangement is terminated:

- Company retains ownership of the policy Company may choose to transfer the policy to the executive as a taxable bonus
- When the executive dies, the company recovers the cost of the arrangement through the death benefit proceeds of the policy

Learn more

Do you have business owner clients who could benefit from a key person plus strategy to attract and retain key employees? We can help - call our Advanced Sales Team today: **1-888-413-7860**, option 3.

1. Key employees must be either highly compensated employees or management. Key employee life insurance is subject to the notice and consent rules for employer-owned life insurance – IRS Sec. 101(j). Failure to comply with those rules will subject the death benefit to taxation.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first 15 years of the contract. Clients should consult their tax advisor when considering taking a policy loan or withdrawal.

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securian.com

400 Robert Street North, St. Paul, MN 55101-2098

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