

# Business-to-Family

## Meeting Employer and Family Needs

### Concept

A key person isn't just a value to their employer. They can also be a critical financial component to their family at home. Business-to-family protection is a life insurance policy owned by the business, which seeks to not only protect the company from financial loss, but also provide a valued benefit for the key person's family.

### Agent Profile

Financial professional looking for sales opportunities in the business market or has clients who are decision makers or key people at work.

### Client Profile

Business owner or decision maker seeking ways to reward and retain key employees, or a key person with a family who values additional financial stability.

### Key Selling Points

- ▼ The company is the owner and beneficiary of the policy.
- ▼ Generally, premiums would be non-deductible, the death benefit would be generally tax-free, and any benefit paid to employee's family would be deductible as a salary expense to business and taxable to employee's heirs.
- ▼ Optional exit strategies: The business may surrender policy for cash value as reimbursement of costs, or the policy may be gifted to the employee.

### Product Options

- ▼ **ADDvantage Term** - low-cost solution for a defined period
- ▼ **Custom Guarantee UL** - affordable and permanent solution
- ▼ **Guarantee Builder IUL** - permanent protection with cash value accumulation potential
- ▼ **Rapid Builder IUL** - high cash value potential to cover other needs or provide an exit strategy if coverage is no longer needed

### Illustration Design Tips

- ▼ The coverage amount is determined to be the funds needed to cover the business needs for key person, plus sufficient protection to meet their death benefit or continued income stream obligation to employee's heirs.
- ▼ The coverage amount may be up to 10 times the annual income derived from the business and is dependent upon the type of business and the applicant's duties.
- ▼ A compensation agreement is made between the company and employee to provide a benefit at employee's death to their family through either a lump sum or stream of income.
- ▼ An employer-owned life insurance policy form will be required.
- ▼ Consider desired duration and/or exit strategy in determining product.




## Right Words

"A key employee is not only essential to you, the employer, but also to their family at home. Help protect yourself from the loss of a key employee and extend monetary benefits to the employee's family."



## Right Questions

- ▼ "Do you think your compensation package is attractive enough to keep a key employee from changing jobs?"
- ▼ "What if you could protect your company from the loss of a key employee and also create an incentive for the key employee to stay?"
- ▼ "Would the key employee appreciate you having in mind not only the continuation of your business if the key employee died unexpectedly, but also the financial stability of the key employee's family?"

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To:	Cc:
<b>Subject: Follow-Up Email to Agent</b>	

Hello \_\_\_\_\_,

It was nice chatting with you [today/recently] about your Key Person business. I was thinking that a fresh approach to this strategy that you might want to consider is the Business-to-Family concept.

A key person isn't just a value to their employer, but also can be a critical financial component to their family at home. Business to family protection is a life insurance policy owned by the business, which seeks to not only protect the company from financial loss, but also provide a valued benefit for the key person's family as well.

This combination expands on key person by providing a valuable benefit to the employee, who in turn might be more likely to respond with allegiance to the employer. Additional coverage also means more compensation potential for you, the agent.

Think about your business clients, and pick one who might be ideal for this concept. Send me their information and I'll help you design a case for them, and I can even help you prepare to present it to them.

Give me a call with any questions in the meantime!

Thanks,

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Go to <https://www.northamericancompany.com/group/nacolah-portal/li-sales-concepts> to download the complete sales concept kit!