

# Executive Bonus

## Reward and Retain Great Employees

### Concept

An executive bonus funded with life insurance is a simple agreement that allows the employer to pay for the employee's policy with no out-of-pocket cost to the employee. Unlike other employer incentives, the employer can easily offer this benefit to any employee they choose.

### Agent Profile

Financial professional who works with business owners or high-level executives of any industry.

### Client Profile

Business owner, executive, manager, director, or top salesperson with specialized knowledge or relationships and high compensation.

### Product Options

- ▼ **Builder IUL<sup>®</sup>** - strong cash value accumulation potential

### Key Selling Points

- ▼ The life insurance policy is owned by the employee, and the employee names their own beneficiary.
- ▼ Cash value can be used to help supplement the employee's retirement income through loans or withdrawals.<sup>1</sup>
- ▼ An executive bonus structure is easy to set up and administer.
- ▼ Accelerated death benefits may be able to provide an emergency source of funds for terminal, chronic, or critical illness, if the insured qualifies.

### Illustration Design Tips

- ▼ The bonus is taxable to the employee, and usually deductible to the employer.
- ▼ A double bonus structure is typically used to eliminate out-of-pocket cost to the employee.
- ▼ Insmark software can be used to illustrate costs and benefits.



## Right Words

"Valued employees need to be rewarded and retained. A thoughtful benefit may include a life insurance executive bonus plan. Private and discriminatory, this benefit may be tailored to meet individual executive's needs and goals."



## Right Questions

- ▼ "Which employees would you like to reward with a valuable benefit, which in turn can help you retain them?"
- ▼ "Which of your employees would be difficult or even impossible to replace?"
- ▼ "If your top salesperson left you for your competitor, how much would that cost you in lost sales and costs to hire and train a replacement?"
- ▼ "Did you know there's a simple way to give your best employees a benefit that can make it difficult for them to leave?"

Send



New Email Message

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To:

Cc:

Subject: **Follow-Up Email to Agent**

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

It was great talking to you [today/recently] about the business uses of life insurance. Since you're interested in that market, I wanted to send you some tips to help you get started.

First, think of the businesses you visit frequently—gas stations, restaurants, local shops (either retail or services). Most, if not all, businesses may have an employee they would like to reward and retain by offering an executive bonus plan.

Identify who in the business is valuable enough that it would be difficult or expensive to replace. An executive bonus case design can show the employer how they can reward and retain that top employee, which helps stabilize the company. Plus, employers can offer this kind of plan to only employees they choose.

Think about your current book of clients and other people you know (friends, family, neighbors) that might fit this description:

- Anyone who owns a business
- Accountants who work with business owners
- Attorneys who work with business owners

Once you have a couple of people in mind, send me their information and I can help you design a case for them.

Feel free to call me with any questions in the meantime!

Thanks,  
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Go to <http://nalife.northamericancompany.com/NA-ExecutiveBonus>  
to download the complete sales concept kit!