



Powered by Triscend^{NP}

Key Person Insurance

Why Your Business Owners Need It

With Guest
Speakers
From:



Agenda

Training Will Be Recorded

- About BenefisCU
- What is Key Person Insurance
- How does Key Person Insurance Protect Credit Union Members
- Spectrum of Product Offering and Costs

Please ask questions in the chat.

About BenefisCU

Moving credit unions from customers to partners in the advanced insurance solutions market.

Your credit union will now be able to offer advanced insurance solutions to meet the recruitment, retention and risk management needs for themselves, their peers and their business members. Through a national collaboration with other credit unions, your credit union now has access to more specialized and member-centric products.

CU Equity Members:

American Heritage FCU (Philadelphia, PA)

Desert Financial (Phoenix, AZ)

Goldenwest CU (Ogden, UT)

MAPS CU (Salem, OR)

Michigan State University FCU (E. Lansing, MI)

Oregon Community CU (Eugene, OR)

Redstone FCU (Huntsville, AL)

Sandia Laboratory FCU (Albuquerque, NM)

University FCU (Austin, TX)

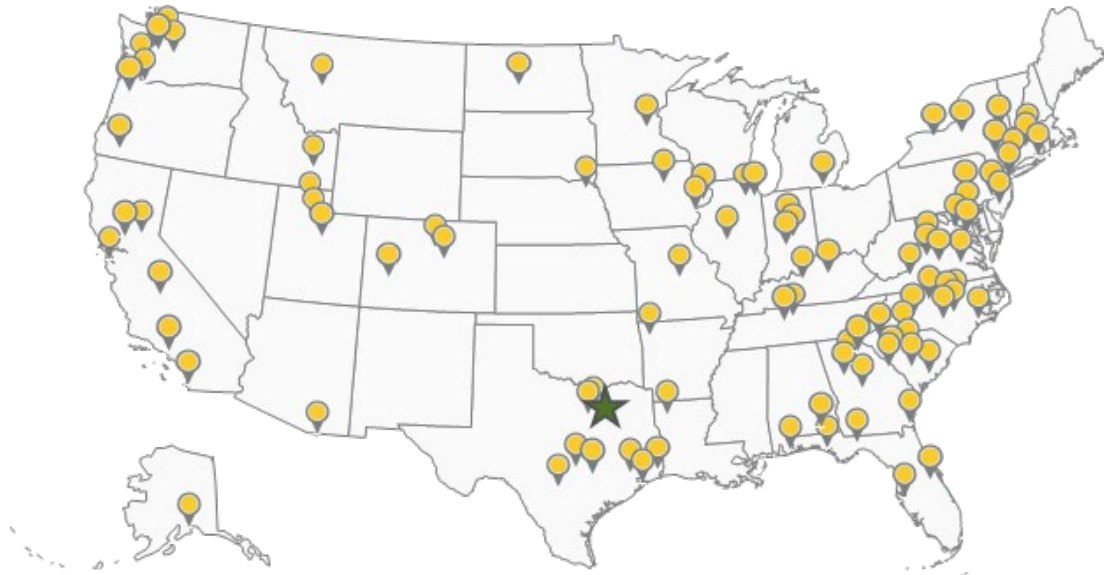
Non-CU Members:

Triscend^{NP}, LLLP (Dallas, TX)

Dollar Associates (Birmingham, AL)

About BenefisCU

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Non-Profit Markets Served:

- Credit Unions
- Healthcare
- Higher Education
- Associations
- Faith Based Organizations
- Other Non-Profits

Featured In:

- Credit Union Today
- Credit Union Times
- CU Broadcast
- CU Management
- Trustee Magazine
- Becker's Healthcare
- LEAP
- The Leader's Board
- American College of Healthcare Executives
- Forbes Non-Profit Council
- Associations Now (ASAE)

Since 2010
Triscend has
generated over

**\$49
MILLION**

in profits for its
strategic partners.

Triscend^{NP} CUSO Leadership



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Alexandria Staron

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Additional Specialized Talent powered by Triscend^{NP}

Marketing | Sales | Analytics | Underwriting | Implementation | Accounting



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Advanced Insurance Solutions

Executive Benefits

Credit Union/Business Owned Life Insurance | Split-Dollar | Executive Bonus | 457(f) Deferred Compensation | Long-Term Care | Disability

Business Protection

Disability | Key Man | Business Expense | Buy/Sell | Payment Protection

Channels



Our Guests Speakers:



**Jacob Bosacki, JD, FSRI,
Head of Corporate Programs**



**David S. Veatch, CLU
Personal Planning, Risk
Management Consultant**



**Kevin A. Veatch,
Personal Planning, Risk
Management Consultant**



Key Employee Planning

Presented by TriAlpha Capital and BenefisCU

Executive Benefit Services

- New benefit design, financial modeling, and implementation
- Existing benefit plan audit, benchmarking, and redesign
- Ongoing program oversight and support

Business Owner Equity Planning

- Succession and liquidity event planning services
- Strategic tax shelter and liquidity planning

Business Owner and Executive Personal Planning

- Owned products audit and re-proposal
- Trust and estates planning



Jacob Bosacki, JD, FSRI, Head of Corporate Programs

Jake leads Corporate Programs at TriAlpha Capital. He is focused on assisting corporate clients with the design, implementation, and maintenance of effective and efficient executive benefit programs. His experience ranges from advising large multi-national publicly traded corporations on complex deferred compensation plans to advising regional financial institutions on designing and funding benefit programs and the associated liabilities.

He is known in the executive benefits industry as an expert in the area of non-ERISA executive plans, nonqualified deferred compensation plans, phantom equity compensation programs, executive bonus arrangements, short and long-term incentive plans, carve-out benefit programs, benefit plan financing, and other corporate sponsored compensation and benefit programs.

Jake received his juris doctorate from Marquette University Law School and his bachelor's degree in economics from the University of Wisconsin-Milwaukee. He is also a Fellow of the Secure Retirement Institute.

Personal Planning



PERSONAL PLANNING SERVICES

Insurance Review
Financial Products Audit
Estate Tax Calculation
Goals and Needs Assessment
Income Protection Review
Estate Equalization Planning
Special Needs Planning
Charitable Giving

PRODUCTS

Life Insurance
Disability Income
Long Term Care Insurance
Private Placement Life and Annuities

STRATEGIC PARTNERS

Qualified Plan Consulting and Service
Nonqualified Plan Administration
Property Casualty Insurance
ESOP Advisory
Trust Services
Legal and Tax

Personal Planning, Risk Management Consultants



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A key person is a person that the business cannot afford to lose or that a competitor would gladly recruit away from the company.

WHO

- ✓ Owner
- ✓ Manager
- ✓ Executive

ROLE

- ✓ Sales
- ✓ Production
- ✓ Leadership

Reasons for Loss

Catastrophic

- Death
- Disability

Controllable

- Pre-Retirement Separation

Management/Operations

- Creates a void in leadership if the key person was a people leader
- Void in leadership creates greater workload for others, which causes inefficiency in operations
- Lost experience and technical expertise must typically be supplemented
- Credit profile may change as owners can often be key people as well as non-owners

P&L Expense Increase/Cash Flow Constraints

- Recruiting and training expense for replacement cost is often two times the annual cost of the employee (but can be significantly more through loss of efficiency)
- Replacement cost will increase to market rate, which will often be more than previously paying

Revenue

- Lost sales,
- Slowdown of company growth
- Loss of expert P&L management, advice and operating insight
- Slowdown or stoppage of production and manufacturing

Equity Transaction/Transition

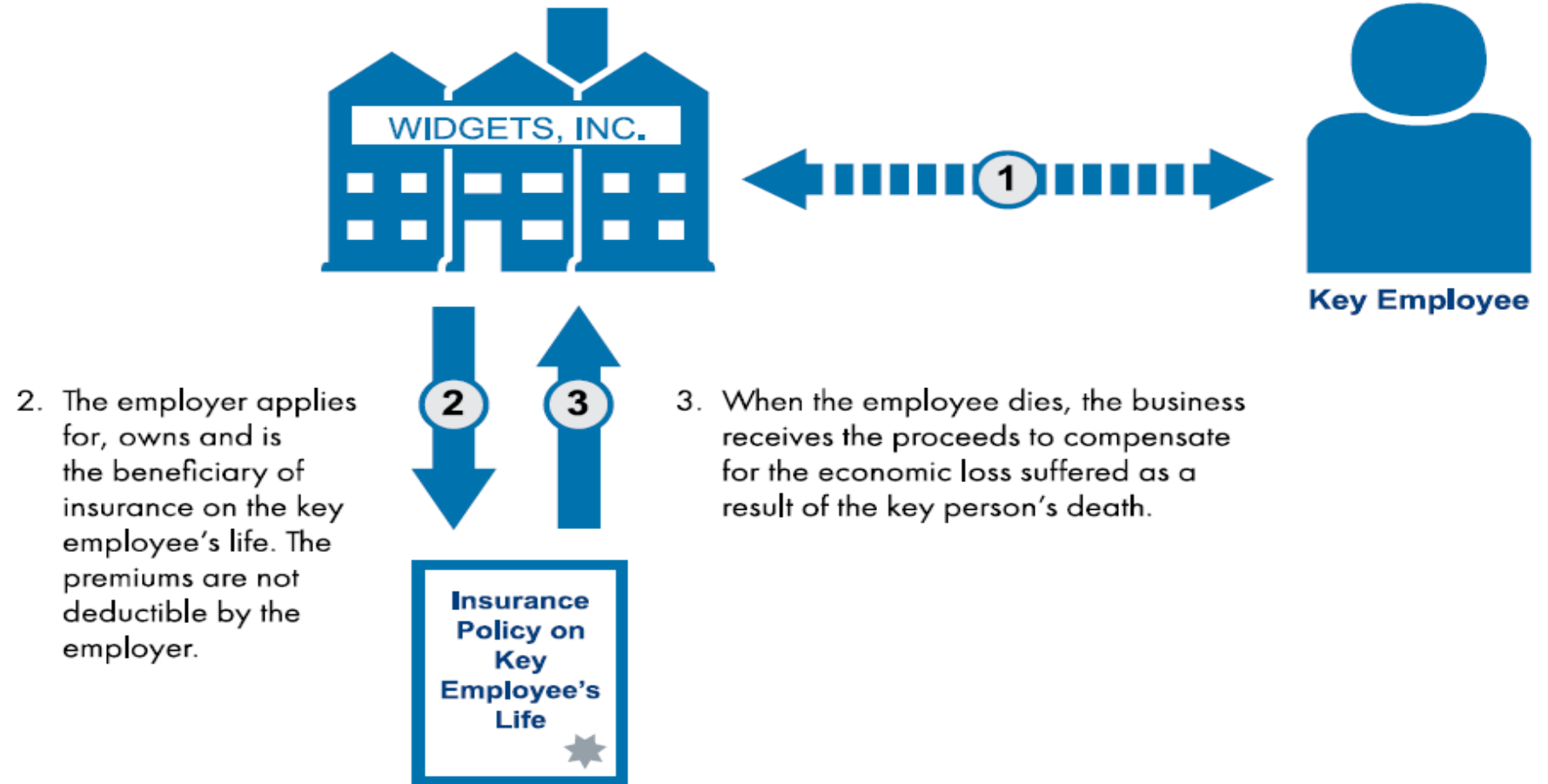
- New leadership (if owner passed)
- Increased liquidity needs to supplement P&L during leadership succession process
- Potential uncovered redemption expense on the books

Key Person – Catastrophic Loss Hedge

1. The employer identifies a key employee whose death would result in financial loss to the business. The business gives notice that it intends to insure the employee's life and obtains the employee's written consent.

Protection Plan

Insurance products are utilized to indemnify the business in the event of the death or disability of the key employee



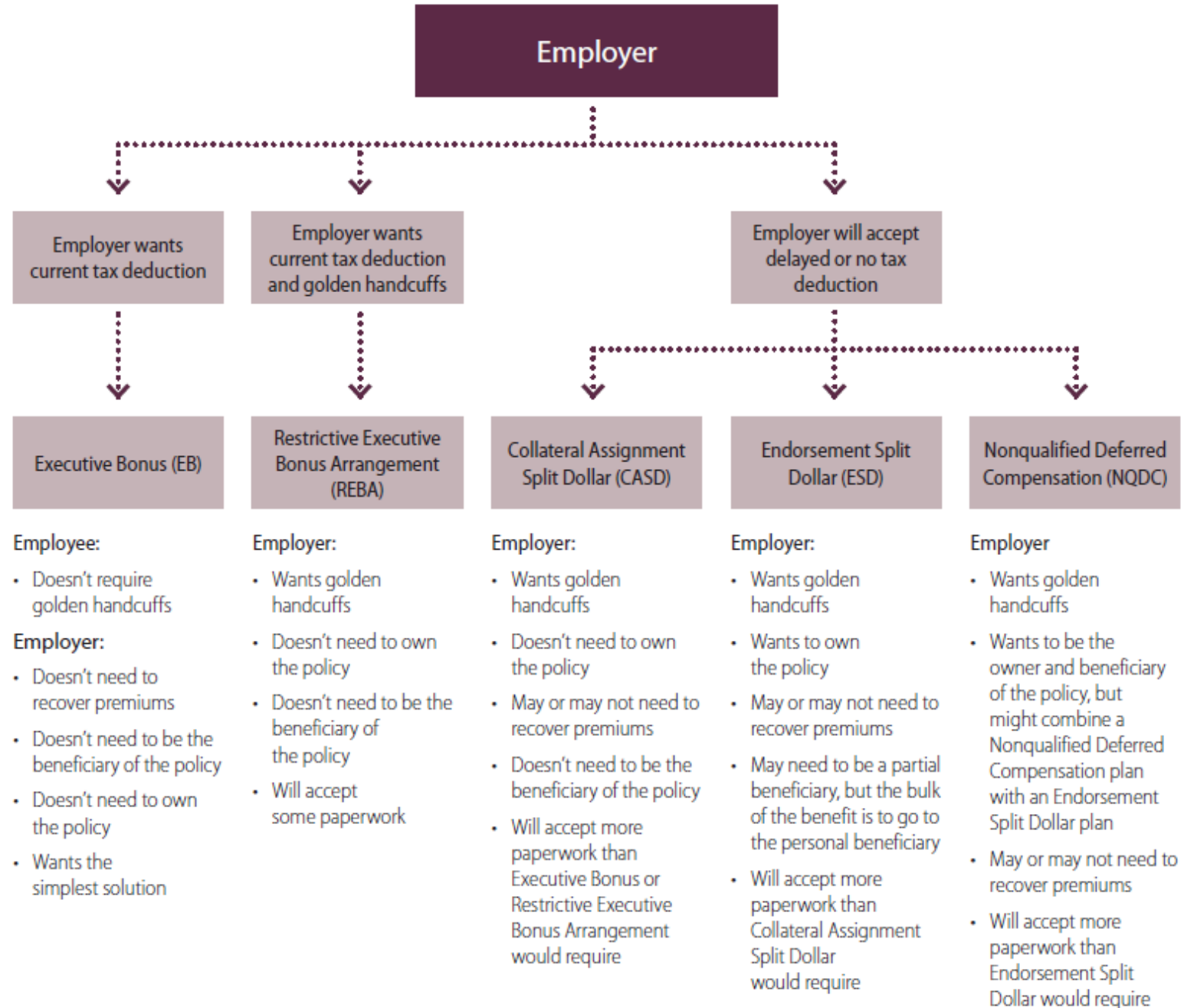
Key Person - Controllable

The level of protection is relative to the level of value the employer is willing to offer to the employee.

Value provided must be constrained by reasonable budget setting to be mutually beneficial.

This is a quantifiable measure and can be structured as value created results in value shared.

Controllable key person strategies are designed to create a hurdle rate to incentivize the key person to remain.



Case Examples

Case experience has provided us with common examples of how to assist a company to create a protection and prevention plans.

Owners are employees too

Statistically speaking, disability

“What’s in it for me?”

Things change...

All accounted for?

Assessment

Our team reviews existing planning, current risks, needs and goals and establishes a due diligence output for the enterprise



Plan Selection

The enterprise assesses the materiality of the identified risks and our team provides knowledge on the most appropriate plan design options



Implementation

Our team creates an implementation process, awareness, and shepherds execution of implementation



Review

Our team provides ongoing support and plan maintenance to remove hidden resource costs, starting with an implementation review

How can we help?

CORPORATE PROGRAMS

Executive Benefits
Succession Planning
Key Employee
Estate Planning

Head of Corporate Programs



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PERSONAL PLANNING SERVICES

Insurance Review
Family Protection
Income Preservation
Long Term Care Planning
Wealth Transfer

Personal Planning, Risk Management Specialists



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How to Make a Referral

Remember, you don't have to be an expert in BenefisCU products to make a referral, that's our job. Your role is simply to identify the potential either with a credit union or business member. From there, the team at BenefisCU powered by Triscend^{NP} handles the entire process, including education, financial modeling, quoting, underwriting, and product placement.

Step 1
Identify the
Opportunity

Step 2
Contact us
with the details

Step 3
You're done!
We'll take it from there



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Thank You!

Thank you for your time. This training has been recorded and will be made available in your credit union's BenefisCU marketing portal.