

Key employee life insurance

Protect your business from the loss of key employees

Your challenge

If you died today, your key employees may be concerned about the future of your business. By retaining your key employees, you can help ensure a smooth transition to new ownership, maintain business integrity and preserve the value of your business for your heirs.

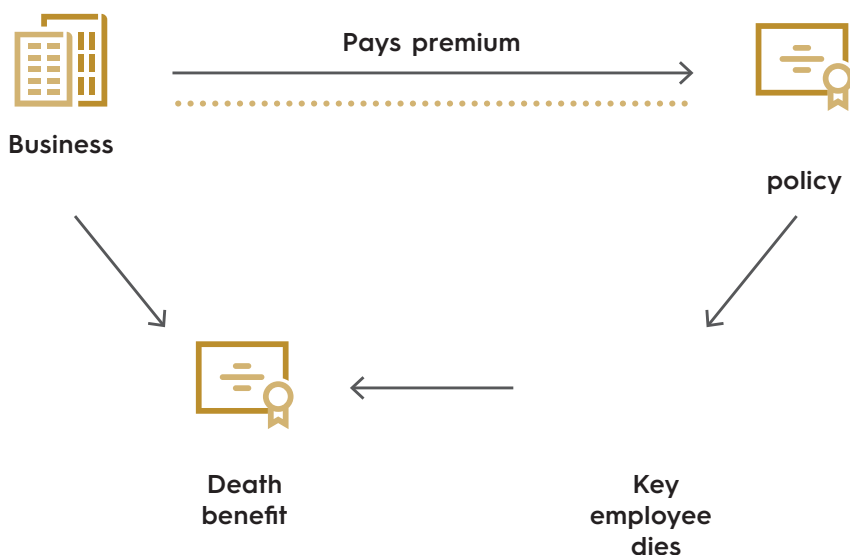
A potential solution

A stay bonus can help retain key employees by providing a financial incentive to stay with the business.

How does key employee life insurance work?

- Key employee must provide written consent prior to issue of the life insurance contract.
- The business purchases a life insurance policy on the key employee and names itself as the policy's beneficiary.
- Upon death of the key employee, the business receives the death benefit and uses it for related business expenses or losses.

Because your
business is
your life



Why is life insurance an ideal tool for this strategy?

Life insurance is a long-term financial tool that can provide a source of funds to replace revenue from lost sales or lower earnings. The premiums you pay into cash value life insurance policies can also grow tax free.

Benefits

- Helps protect your business from losses caused by death of a key employee.
- Can also be used to fund entity redemption buy-sell, nonqualified deferred compensation and cross-endorse split-dollar agreements.
- Provides a death benefit as tax-free income to the business.
- Business can use the policy's cash value in case of an emergency.
- Policy can be terminated or transferred if a key employee leaves the business.

Considerations

- Written employer-owned life insurance (EOLI) notice and consent rules apply.
- May have transfer for value issues. Please discuss this strategy with your legal and tax advisors.
- May be subject to corporate creditors.
- Employee has no rights to the policy.
- Premium payments are not income tax-deductible by the business.
- Employee's health affects insurability.



Learn more

Want to ensure the ongoing success and growth of your business? Contact your financial professional today to find out how you can implement a key person plus strategy.

At Fortress Brokerage Solutions
we're here for family.
And we're here because of it.

Family doesn't have to branch from your tree, but it always shares your roots. Roots woven by common understanding, shared values and mutual respect. Those who believe a rewarding life is really about being present in the here and now, and that your financial picture should support the everyday moments as much as the major milestones. That's why our insurance, investment and retirement solutions give you the confidence to focus on what's truly valuable: banking memories with those who matter most.



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