



SALES IDEA | Business Protection

Succession Planning and Retaining Key Employees

Case Study

The owner of a successful office-supply business wants to transition into retirement. He built the business from the ground up and wants it to remain successful after he leaves.

Step 1: Identify client need

The owner wants to sell the business for full market value, so he'd like it to continue to be as profitable as possible. Because he must keep the current management team in place to achieve that goal, protection and retention of key employees is critical. Also, he should have a current buy-sell agreement.

Step 2: Identify potential solutions

- Offer a free buy-sell review and/or an informal business valuation proposal from the Principal Financial Group®.
- Use our key person calculator at www.principal.com/keyperson to offer a range of coverage options for key person, buy-sell agreement funding and business debt coverage funding.

Step 3: Consider key person retention needs

If your clients are concerned about retaining key employees, consider offering a retention bonus plan funded with cash value life insurance. These plans allow flexible design and funding to protect clients' most valued employees under multiple contingencies. For more information, check out our Select Reward Plan at www.principal.com/selectrewardplan.

Step 4: Fund the solution

- For short-term coverage needs, term insurance from The Principal® — at 10, 15, 20 or 30 years — is an affordable, low-cost option when the focus is on death protection.
- For permanent coverage, Principal Universal Life Protector IVSM offers guaranteed death benefit protection, flexible premium durations and coverage flexibility.
- For key person coverage and retention, our Principal Indexed Universal Life FlexSM provides strong accumulation potential and income streams to efficiently fund retention bonus plans.

Talk to your business-owner clients about how you can help them reach their business planning goals with key person insurance and a retention bonus plan.

FOR MORE INFORMATION

Contact Advanced Solutions at 800-654-4278.



WE'LL GIVE YOU AN EDGE®

Principal National Life Insurance Company and Principal Life Insurance Company.

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