

# Increased Sales Opportunities in the Business Market

Do you have business owners on your customer list? If so, discuss the benefits of covering their key employees with a term life insurance policy.

## HOW KEY PERSON INSURANCE WORKS

- Protects the business, financially, from the loss of revenue and increased expenses, in the event of death of an owner and/or key employee.
- The business pays the premium, and is the owner and beneficiary of a life insurance policy insuring the key employee.
- Upon death, the business receives the death benefit, generally income-tax free.<sup>1</sup>

By purchasing a life insurance policy on the key person, the business can use the death benefit to help offset the cost of recruiting and training the new employee, along with any lost revenues or profits.

**CHALLENGE** Mark owns a business that depends heavily on its sales team. His top salesperson, Renee, brings in over 35 percent of the total annual sales revenue. Mark realizes the company could be in jeopardy if something were to happen to Renee.

**SOLUTION** He meets with his financial professional and discusses options that could help him add an additional level of financial security.

His financial professional uses the Key Person calculator from The Principal to help identify the appropriate level of coverage needed for Mark's situation, and they decide on the following:

- ✓ **\$700,000 death benefit** – Determined amount based on the size of the organization, Renee's annual income of \$100,000 and the level of difficulty of replacing her.
- ✓ **20-Year Term** – Using a term policy allows Mark to tailor the length of coverage based on Renee's estimated employment timeframe of an additional 15- 20 years.
- ✓ **Accelerated Underwriting<sup>2</sup>** – Streamlines the underwriting process, which provides an unexpected convenience for both the key employee and financial professional.

By doing this, Mark adds a layer of protection and peace-of-mind for him and the success of his business.

## BUSINESS, OWNER AND EXECUTIVE SOLUTIONS (BOES)



As a leader in the business market, The Principal® offers businesses planning solutions built on a foundation of its unique BOES platform, which provides support before, during and after the sale for both the financial professional and their business clients.

- **BEFORE: Key Person Calculator** – Helps estimate key employee coverage needs
- **DURING: Expertise** – Leverage experienced team of wholesalers and Advanced Solutions professionals for help with your business cases
- **AFTER: Administrative services** – Complimentary plan administrative services relieves businesses of burden

*Leverage the BOES platform and a term insurance solution, using Accelerated Underwriting<sup>2</sup>, from The Principal, to help set you apart with your business clients.*

<sup>1</sup> If the requirements of the Internal Revenue Code Section 101(j) are not met, death proceeds from employer-owned life insurance contracts may be taxable as ordinary income in excess of cost basis.

<sup>2</sup> Applicants may qualify based on age, product, face amount and personal history.

**FOR MORE INFORMATION**

Contact the National Sales Desk at 800-654-4278.



WE'LL GIVE YOU AN EDGE®

Principal National Life Insurance Company and Principal Life Insurance Company, Des Moines, Iowa 50392-0001, [www.principal.com](http://www.principal.com)

Principal National Life Insurance Company and Principal Life Insurance Company reserve the right to charge the maximum premium beginning with any premium redetermination date. The premium at redetermination date, if less than the maximum premium stated in the policy, is not guaranteed beyond the current redetermination period. Also, the premium at redetermination date is subject to the company's expectations as to one or more future cost factors including persistency, expenses, mortality and interest. Any increase in premium will not result in an increase in your benefits.

Insurance products from the Principal Financial Group® are issued by Principal National Life Insurance Company (except in New York) and Principal Life Insurance Company, Des Moines, IA 50392.

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**Not FDIC or NCUA insured**

**May lose value • Not a deposit • No bank or credit union guarantee  
Not insured by any Federal government agency**

Principal National Life Insurance Company Policy Form: ICC13 SN/SN 89, Rider Forms: SN 2, SN 3, SN 4, SN 5 and SN 42  
Principal Life Insurance Company Policy Form: SF 946 NY and SF 946 NY U, Rider Forms: SF 686 NY, SF 807 NY and SF 880 NY