

# Help clients take **BOLD** action to advance their business





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What is BOLD – and  
how does it work?

Next: Developing solutions  
that fit the client's objectives

Meeting with business  
prospects and clients

Offer a BOLD seminar  
and business valuation

Retirement/stepping back

Long-term care

Estate planning

Retirement plans

Executive compensation

Split dollar strategies –  
sharing costs and benefits

Key person life insurance

Business succession

4

6

9

10

12

13

14

18

20

22

25

26

With Business Owner Life-stage Design (BOLD), you have the tools, support and resources you need to advise your business-owner clients. BOLD helps you identify strategies and solutions that address the unique and complex challenges they face – enabling them to achieve both the short- and long-term goals that matter most.

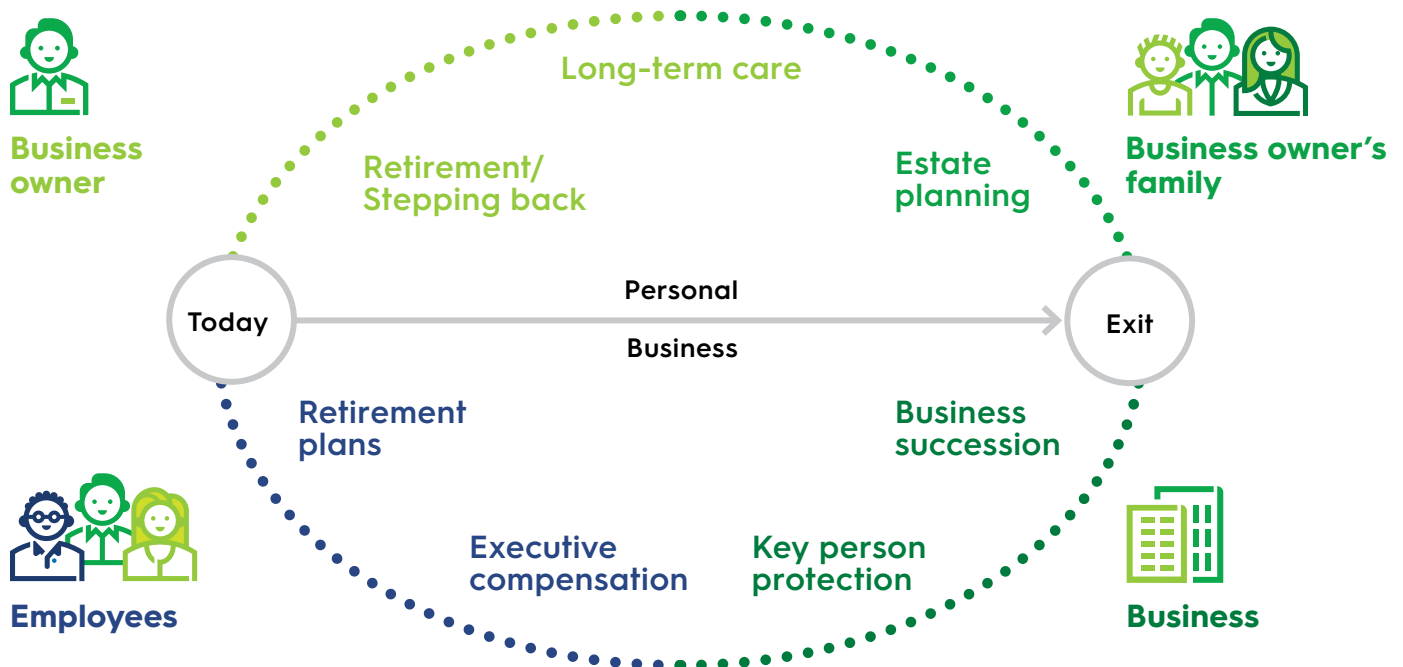
# BOLD: business owner life-stage design

Every day, business owners face a multitude of complex financial and business decisions, including:

- How they will fund retirement
- When and if they will step-back from the business
- Tax considerations and issues
- Long-term care costs
- Wealth transfer to the next generation
- Provide benefits to retain their top employees
- Prepare for potential loss of a key employee
- Determine how they will exit their business

The sheer number of decisions can paralyze a business owner into non-action. At Securian Financial, we understand these challenges and that business owner clients are looking for guidance and direction.

That's why we developed a program that gives you the power to provide potential solutions for almost any business owner need.



# What is BOLD – and how does it work?

BOLD is a ready-to-use marketing program that you can use with your business owner clients. Featuring a series of fact finders, BOLD can help your clients determine their top priorities – and help you identify solutions for them.

It also includes an array of financial professional- and client-focused educational content about the numerous solutions and sales opportunities it provides, and can assist you in promoting your abilities in the business owner market.

## The client experience

BOLD starts with your client's current state of affairs. With the use of our questionnaires, you will help identify the business owner's stakeholders and assess their current situation, as well as outline their goals and priorities.

From there, you can begin by focusing on their top priority – while gathering more information about their other priorities.

### Identifying stakeholders

The process begins with your first interaction with your client or prospect. Use the initial [BOLD questionnaire](#) (F79732) to discuss and review the following:

### What parties are involved?

All small business owners have both business and personal stakeholders. They must balance family needs and desires with those of their business and their employees. Start by identifying their stakeholders – and how they may be impacted throughout the BOLD process.



Business owner



Business owner's  
family



Employees



Business

## Determining goals and priorities

Continue using the initial BOLD questionnaire to guide your discussion, by walking the client through the questions and ranking their priorities in these key areas:

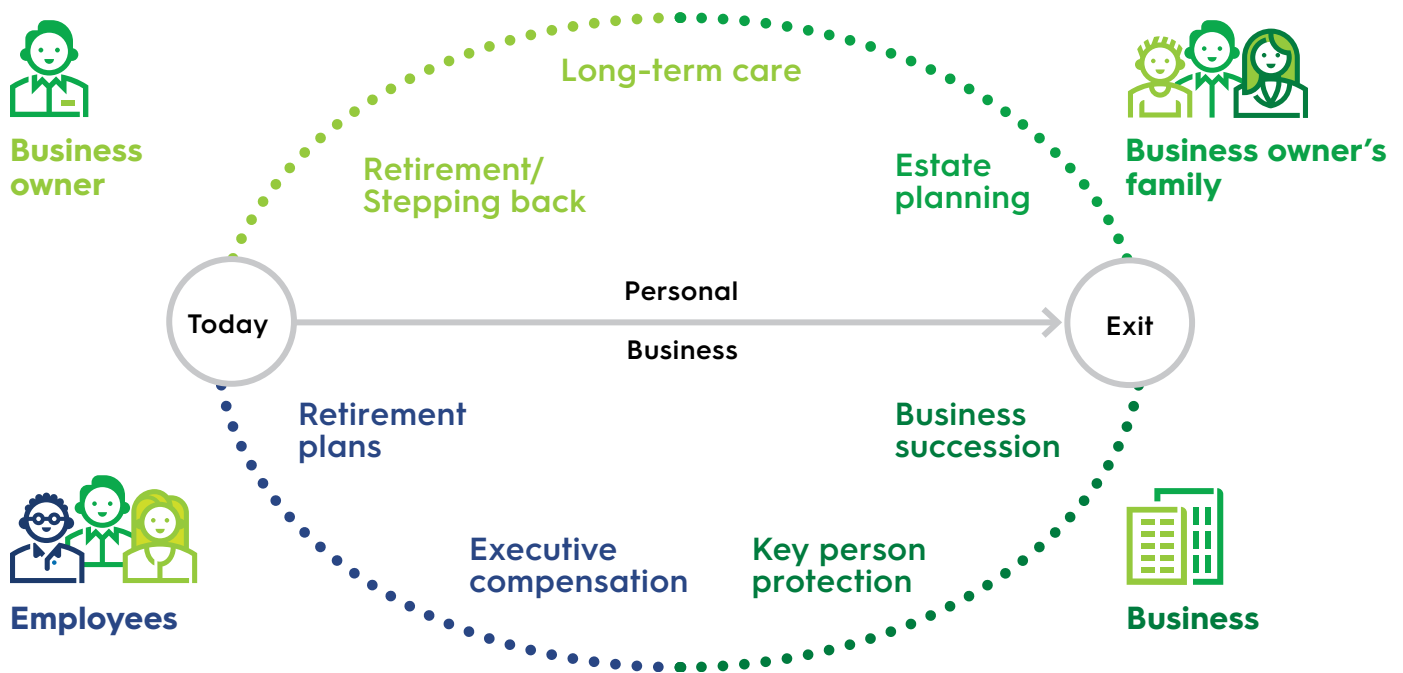
	Stakeholders	Goal
<b>Retirement/stepping back from business operations</b>	Business owner, family	Adequate funding for retirement
<b>Long-term care</b>	Business owner, family	Paying for long-term care costs
<b>Estate planning</b>	Business owner, family	Efficiently passing on assets
<b>Executive compensation</b> Executive compensation solutions may require additional information. Refer to the <a href="#">BOLD executive compensation fact finder</a> (F79732-3)	Employees, business	Recruit, reward and retain key employees
<b>Retirement plans</b>	Employees, Employer	Aligning retirement plans with business objectives
<b>Key person protection</b> Key person protection solutions may require additional information. Refer to the <a href="#">BOLD key person fact finder</a> (F79732-4)	Business, business owner, key employees	Protecting the business from loss of a key employee
<b>Business succession</b> Business succession solutions may require additional information – you can refer to the <a href="#">BOLD business succession fact finder</a> (F79732-7)	Business, business owner, employees	Transfer the business to others at a fair price

## Life stages



## Next: Developing solutions that fit the client's objectives

Once you've gathered information and have an idea of your client's most important goals and priorities, it's time to prioritize their concerns – and start providing solutions.



## Your experience

In this financial professional guide, access the BOLD strategies and tools you need to help recommend the right solutions to your business-owner clients – from retirement and estate planning to executive compensation, key person protection and business succession.

# Gaining knowledge

Where are the areas of opportunities for each of your unique business-owner clients?

## Business owner

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### **Retirement/Stepping back**

- Business Owner Saver Strategy (BOSS)
- Life Insurance as a Financial Tool (LIFT)

### **Long-term care**

- Life insurance solutions
- Annuity solutions

## Business owner's family

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### **Estate planning**

- Wait and see estate planning
- Trust strategies
- Special needs strategies

## Employees

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### **Retirement plans**

- Defined contribution
- Defined benefit
- Life insurance in qualified plans
- Employee Stock Ownership Plan (ESOP)

### **Executive compensation**

- Executive bonus
- Split-dollar arrangements
- Nonqualified Deferred Compensation (NQDC)

## Business

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### **Key person protection**

- Key person
- Key person plus

### **Business succession**

- Buy-sell arrangements
- Stay bonus

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BOLD also provides you with resources to guide your understanding of key business concepts and facilitate your strategy discussions with clients:

Business profiles — Describe sales opportunities, identify target clients and demonstrate how each opportunity works

Consumer flyers — Address business-owner challenges and offer potential solutions

Strategy-specific guides — Financial professional resources regarding business succession and executive compensation

Forewords to counsel — In-depth technical document to share with your client's legal team

Sales consultation and support — Contact our [advanced sales team](#) at **1-888-413-7860, option 3**







# Meeting with business prospects and clients

The BOLD process helps you become more confident about approaching business owners by providing soft-approach opportunities, as well as key questions to help determine business owner objectives – with these three goals:

## **Generate interest – prospecting to business owners**

- Complimentary Business Valuations
- BOLD educational seminar

## **Gather basic information**

- Initial BOLD questionnaire
- Collect legal agreements (estate planning, buy-sell, executive compensation, etc.)

## **Establish your client's primary priorities**

- Priority checklist – Initial questionnaire (see page 2) asks seven simple questions which the business owner then ranks
- Collect additional information on executive compensation, key person protection and business succession using the BOLD fact finders noted

## **Case design and sales support**

Refer to these resources to find the appropriate solutions for clients:

1. The business owner's advisors – Discuss the information you gathered about your client with their legal, tax and other advisors
2. Fact finders – Besides the initial questionnaire, use the executive compensation, key person and business succession BOLD fact finders to refine the business owner's needs and identify strategies
3. Sales support – Talk to your back-office sales support team and consult our advanced sales team for in-depth case analysis and design

We consult on strategies and case design, plus provide training and tools. If you work with a brokerage general agency (BGA), we will work with them and provide training and tools so they can be your first point of contact.

# Offer a BOLD seminar and business valuation

In many cases, a business owner's most valuable asset is their business. Knowing the value of that asset is critical to proper business planning and achieving personal financial goals.

Offering a complimentary, no obligation business valuation will help you ensure attendance at your BOLD seminar.

Visit the literature center and order:

- [BOLD consumer brochure](#) (F79732-8)
- [BOLD initial fact finder](#) (F79732)

Download the [BOLD seminar invite](#) (F79732-20) and [client seminar](#).

Our advanced sales team can help you deliver an efficient business valuation to help your clients move their plans forward.

## How it works

1

### Initial case consultation

Want to discuss your client's objectives – and how a valuation can help achieve their business goals? Call our advanced sales team at 1-888-413-7860, option 3.

2

### Data gathering

Complete the required fact finders and gather three years of company tax returns (or balance sheets and profit and loss statements). We can send you a secure, online intake form to complete yourself or with your client.

Mail the fact finders and financial data to [advancedsales@securian.com](mailto:advancedsales@securian.com). Be sure to enter the business name in the subject line. Please allow at least 48 hours for completion.

3

### Valuation report and review

Once the data has been entered, we will contact you to schedule a follow-up call to review the report and discuss sales opportunities.

## Implementation

You've identified the appropriate strategy for the business owner. Now it's time to educate the client with our consumer marketing materials or illustration presentations, so they can make an informed decision.

- Consumer materials – Break down complex solutions into easily understood summaries
- Illustration presentations – Summarize a specific concept using the client's information and demonstrate a potential solution using life insurance

Are you ready to get started? Read on for an overview of the key strategy areas you can explore as potential solutions for your business-owner clients.



# Retirement/stepping back



## Key question

**Do you plan on stepping back from the business or reducing your responsibilities?**

### Strategy

The **business owner saver strategy (BOSS)** can help your clients become independent of the business by diversifying their wealth – and not be forced to sell the business in order to retire.

### Financial tools

- Life insurance
- Investments
- Qualified retirement plans
- Annuities

### Target client

Pass-through business owner who:

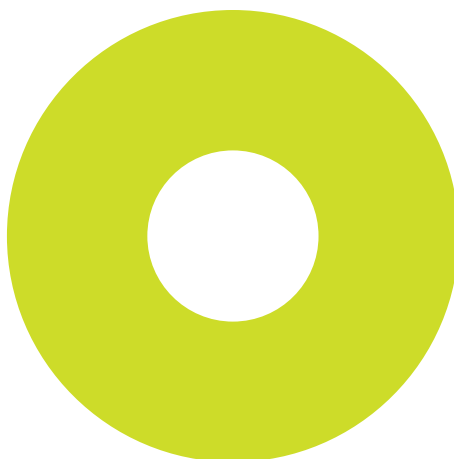
- Has a need to manage taxation of assets
- Majority of personal wealth tied up in the business
- Desires portfolio diversification

### How it works

Pass-through business owners can begin to create a retirement strategy for themselves by taking some of the wealth they have tied up in the business and reallocating it to personal investments, including annuities, mutual funds and cash value life insurance.

### Marketing tools

- [BOSS business profile](#)
- [BOSS consumer flyer](#)



# Long-term care



## Key question

**What is your current plan to pay for long-term health care costs?**

### Financial tools

- Stand-alone long term care products
- Annuities
- Life insurance
- Linked benefit

### Target client

These solutions may be right for clients preparing for or enjoying retirement, who need to cover long-term care expenses.

### How it works

Business owners can protect themselves and their employees from potential long-term care costs by having the business provide benefits to these individuals.

Not only will this help the business owner with their personal long-term care, but could help reward the employees they care about. Securian Financial's linked benefit product may also provide beneficial tax aspects to put these types of plans in place (depending on entity).

**Annuities** — Can pay for long-term costs by taking a distribution or a stream of income. There may be specific riders that may create advantages to pay for long-term care costs.

**Life insurance** — May be used to pay for long-term costs by taking withdrawals or distributions from the policy.\* There may also be specific riders that can be attached to the policy.

**Linked benefit** — Securian Financial's hybrid life insurance, SecureCare Universal Life, is a qualified long-term care product. It's also a flexible solution that can offer tax advantages. [Learn more about SecureCare.](#)

### Marketing tools

For financial professionals:

- [SecureCare product highlights](#)
- [Case study: The power of indemnity benefits](#)
- [Tax guide](#)
- [Impairment guide](#)
- [C corporation/employee case study](#)
- [S corporation owner case study](#)

To receive our most recent SecureCare competitive features comparisons, please email our [advanced sales team](#).

For clients:

- [SecureCare consumer brochure](#)
- [Sandwich generation: caregiving stressors and solutions](#)
- [Business owner tax deduction worksheet](#)
- [Consumer white paper: Long-term care policies as an employee benefit](#)

\*If owner/insured are different, benefits will be paid to the owner upon the insured being certified as a chronically ill individual.



# Estate planning



## Key question

**Can you successfully transfer the assets you have worked a lifetime to accumulate?**

### Strategies

- Irrevocable life insurance trust (ILIT)
- Wait and see estate planning
- Spousal limited access trust (SLAT)
- Beneficiary limited access trust (BLAT)
- Estate equalization

### Financial tools

- Life insurance

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## Irrevocable life insurance trust (ILIT)

### Target client

Business owner looking for life insurance to be owned within an irrevocable trust for estate tax or asset protection reasons, but does not need access to the policy.

### How it works

An **ILIT** is a trust created to own life insurance outside your client's estate. If it's drafted and administered properly, the death benefit from the policy is not subject to income or estate taxes upon your client's death.\*

### Marketing tools

- [Client one-sheet](#)
- [Client profile](#)
- [Foreword to counsel](#)

\*If owner/insured are different, the death benefit will be paid upon death of the insured.

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## Wait and see estate planning – for married couples

### Target client

Married business owners who want to own life insurance within their estate, but desire flexibility for estate taxes in the future.

### How it works

A **wait and see** estate planning strategy uses a combination of life insurance and trusts that offers clients flexibility to support changing circumstances throughout their lives. It is a strategy for married couples who want to maintain control of and access to life insurance policies that will eventually fund their legacy, estate taxes or both.

There are two wait and see approaches:

Type	Ownership
One-policy approach	Mortality inferior spouse owns a second-to-die policy
Two-policy approach	Cross-owned single-life policies between married couples

### Marketing tools

- [One-policy flyer](#)
- [Two-policy flyer](#)
- [Wait and see foreword to counsel](#)

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## Spousal limited access trust (SLAT) – for married couples

### Target client

Married business owners who are looking for life insurance to be owned within an irrevocable trust for estate tax or asset protection reasons, but want access to the cash value and death benefit for the non-grantor spouse.

### How it works

A **SLAT** can make a traditional Irrevocable Life Insurance Trust (ILIT) more flexible by providing access to the life insurance policy's cash value to the non-grantor spouse.

Loans and withdrawals of the cash value can be used for emergencies, supplemental retirement income or other needs, while maintaining the policy's death benefit outside the taxable estate.

### Marketing tools

- [SLAT case study](#)
- [SLAT client flyer](#)

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## Beneficiary limited access trust (BLAT) – for children

### Target client

Business owner(s) who desire control over how the child will access the gift, asset protection for the gifted amounts and a potential dynastic gift for future generations.

### How it works

A **BLAT** is a flexible ILIT that provides lifetime access to cash values for a child (or other beneficiary), while keeping the policy outside the client's and child's estate.

### Marketing tools

- [BLAT client profile](#)
- [BLAT client flyer](#)

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## Estate equalization

### Target client

Business owner who wants to control the business during their lifetime and has identified a child(ren) to receive the business upon the owner's death.

### How it works

**Estate equalization** is needed when the business owner wants to treat his or her children fairly but maybe not equally. Here, the owner bequeaths the business to a child who wishes to continue the business. The rest of the assets then will be split among the other children.

Since a large amount of the estate will go to the one child, the owner can equalize the estate by purchasing a life insurance policy and naming the remaining children as beneficiaries of the policy.

### Marketing tools

- [Estate equalization client flyer](#)





# Retirement plans



## Key question

**Does the business's qualified retirement plan complement the owner's objectives?**

### Financial tools

- Defined contribution
- Defined benefit

### Target client

Securian Financial offers retirement plan solutions to employers of all sizes, with a focus on plans up to \$200 million in assets. Clients who hire us appreciate our in-depth expertise and rely on us for high touch service, custom plan design, innovative investment solutions and extensive administrative outsourcing.

### Qualified retirement plan types

All plans are customized to each employer's specific needs. We offer a variety of plan types, including:

- 401(k)
- Defined benefit
- Profit sharing
- Cash balance

Regardless of plan type, employers enjoy a level of administrative support typically done in house. Our best value philosophy means that in addition to the standard services offered by most providers, employers receive outsourcing of more services at no additional cost.

### Client-first investment practices

Plan investments are available through the Securian Signature Series array or an open architecture platform with over 6000 unique investment options. Client-first investment practices are applied to both arrays, which include:

- Revenue sharing – Credited back to participant accounts daily, eliminating inequity in assessing plan costs to participants
- Foreign tax credits – Credited back to the separate accounts that generated them, resulting in lower separate account expenses and increased performance
- Use of the most efficient share class – After revenue sharing and/or foreign tax credits have been credited back – helps minimize expenses and maximize returns\*



## **Securian Financial's ERISA 3(16) fiduciary program**

Employers preferring to leave plan administration to experts can choose our ERISA 3(16) fiduciary service. This program lets employers transfer time-consuming administrative tasks to us and mitigate fiduciary risk in the process. It also means the fiduciary risk is transferred to Securian for the administrative services we provide.

## **Investment fiduciary services**

Employee Retirement Income Security Act (ERISA) 3(21) and 3(38) investment services are available through independent third parties. It's an effective way to bring a clearly defined investment fiduciary solution to your clients.

Even investment advisors who typically act as a fiduciary may find these investment services a convenient means of offering an important service to smaller clients, while staying focused on providing fiduciary support to larger clients.

Employers using the Signature Series may elect to appoint Securian as a platform level ERISA 3(38) fiduciary for the array.

## **Selling our plans**

Contact a Securian Financial retirement wholesaler to learn more:

- [Find a wholesaler](#)
- Already working with us? [Log in now](#)

\*Returns are maximized relative to all of the mutual fund share classes available for the investment strategy. Securian Financial's qualified plan products are offered through a group variable annuity contract issued by Minnesota Life Insurance Company.

Securian Financial is the marketing name for Securian Financial Group, Inc. Minnesota Life Insurance Company is an affiliate of Securian Financial Group, Inc.

If appointed as a platform 3(38) fiduciary for a particular plan utilizing investment options available under Securian's Signature Series® array, Minnesota Life Insurance Company has the sole responsibility for the selection, monitoring and, if necessary, replacement of the investment vehicles held in the separate accounts offered. Minnesota Life Insurance Company acknowledges its responsibility as an ERISA 3(38) fiduciary for the selection of providers of investment management services with respect to its separate accounts which are part of the Signature Series. Minnesota Life Insurance Company's platform 3(38) fiduciary service does not include investment options selected by the plan level fiduciary that are not part of the Signature Series. Individuals or firms selecting specific investments from the Signature Series for a particular plan are considered plan level fiduciaries and Securian is not responsible for the fiduciary decisions made by plan level fiduciaries.

# Executive compensation



Key question

**Have you created strategies to recruit, reward and retain key employees?**

## Strategies

- Executive bonus arrangements
- Split dollar arrangements
- Nonqualified deferred compensation

## Financial tools

- Life insurance



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## Executive bonus arrangements – simple and deductible

### Target client

Business owner is looking for a simple executive compensation arrangement that's deductible for the business.

### How it works

All executive bonus strategies have the same fundamental set up:

- Employee applies for a permanent life insurance policy and designates the beneficiary
- Employer bonuses premium dollars to a key executive, or pays the premium directly to the insurance company (deductible for the employer)
- The amount of the premium payment is included in the executive's income

In addition to a standard executive bonus strategy, a **golden executive bonus arrangement (GEBA)** may be ideal for a company that wants to:

- Temporarily restrict how an employee uses policy cash value
- Potentially recover costs if employee prematurely departs from the company

A **golden executive match (GEM)** may be sought by a company that needs a more cost-effective strategy to provide additional benefits to key employees. Under this solution, the employer provides a bonus to the executive in an amount that equals the tax on the income used to pay the premium on the life insurance policy.

### Marketing tools

#### Executive bonus

- [Executive bonus arrangement business profile](#)
- [Executive bonus arrangement employer client flyer](#)
- [Executive bonus arrangement employee client flyer](#)
- [Executive bonus foreword to counsel](#)

#### GEBA

- [Golden executive bonus arrangement business profile](#)
- [Golden executive bonus arrangement employer client flyer](#)
- [Golden executive bonus arrangement employee client flyer](#)
- [Golden executive bonus arrangement foreword to counsel](#)

#### GEM

- [Golden executive match business profile](#)
- [Golden executive match employer client flyer](#)
- [Golden executive match employee client flyer](#)
- [Golden executive match foreword to counsel](#)

# Split dollar strategies – sharing costs and benefits

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## Key person plus

**Key person plus** is an endorsement split-dollar arrangement using a life insurance benefit paid for and provided by a business for key executives or other key employees.

The business owns the policy and pays the premium, and a tax-free life insurance death benefit is provided to the key employee's family or other chosen beneficiary.

### Target client

May be a solution for companies that want to:

- Retain or reward key executives with a pre-retirement survivor benefit
- Avoid complicated administration
- Control the policy as a corporate asset
- Recover plan costs
- Forego income tax deduction today in exchange for recovering premium costs in future

### How it works

Company purchases a permanent life insurance policy on the life of the executive and pays all premiums; endorses a portion of the death benefit to the executive as a pre-retirement survivor benefit.

If the executive dies while employed by the company, the company receives a portion of the death benefit to recover its costs; the executive's beneficiaries receive the balance.

When the executive retires, the arrangement is terminated and the company:

- Retains ownership of the policy and when the executive dies, the company recovers the cost of the arrangement through the death benefit proceeds of the policy
- May choose to transfer the policy to the executive as a taxable bonus

### Marketing tools

- [Key person plus business profile](#)
- [Key person plus employer client flyer](#)
- [Key person plus employee client flyer](#)

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## Employer-financed life insurance

Employer-financed life insurance is an equity collateral assignment split-dollar strategy that allows a business to provide life insurance for an owner, key executive or other key employee.

Although the employee owns the policy, the business pays the premiums as a loan to the employee. The policy is assigned to the employer as collateral for the loaned premium, and the executive names a beneficiary of the policy's tax-free death benefit.

### Target client

May be an ideal strategy for companies that don't need an income tax deduction and want to:

- Reward a key executive who has an estate tax problem
- Recover cost eventually

### How it works

Business loans money to an executive to pay premium on a permanent life insurance policy, which accumulates cash value. The executive owns the policy and collaterally assigns a portion of the death benefit to business.

### Marketing tools

- [Employer-financed life insurance business profile](#)
- [Employer-financed life insurance employer client flyer](#)
- [Employer-financed life insurance employee client flyer](#)
- [Split dollar arrangement foreword to counsel](#)



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## Non-qualified deferred compensation (NQDC) – control and cost recovery

### Target client

Generally appealing to companies that:

- Are financially strong
- Would like to provide an incentive for key executives to stay with the company
- Need to be selective in offering the plan

While these above characteristics generally indicate an NQDC strategy may be an effective solution, additional insights will help you identify which specific strategy could be most appropriate. Please refer to the [BOLD executive compensation financial professional guide](#) for a deeper discussion on nonqualified deferred compensation.

### How it works

**NQDC** is an unsecured and unfunded promise to pay a future benefit for a select group of management or highly compensated employees. There are two parts to the NQDC:

1. The employer and employees agree to defer a portion of the compensation to some point in the future (i.e., retirement)
2. The employer informally funds the promised benefit

Employers can choose a number of financial instruments to informally fund the NQDC plan. However, for some, permanent life insurance can be an attractive option. Because its cash value grows tax-deferred, the employer can access cash value in a tax-advantaged manner, and the death benefit can be income tax-free.

### Marketing tools

#### Bonus deferral

- [Bonus deferral business profile](#)
- [Bonus deferral employer client flyer](#)
- [Bonus deferral employee client flyer](#)

#### Employer match

- [Employer match business profile](#)

#### Supplemental executive retirement plan (SERP)

- [SERP business profile](#)
- [SERP employer client flyer](#)
- [SERP employee client flyer](#)

#### Protection SERP

- [Protection SERP business profile](#)
- [Protection SERP employer client flyer](#)
- [Protection SERP employee client flyer](#)
- [NQDC foreword to counsel](#)

# Key person life insurance

For a company that needs to protect against the loss of a key employee.



Key question

**If a key person dies, will the business suffer financially?**

## Strategy

**Key employee life insurance** is a business succession strategy in which a business purchases a life insurance policy insuring a key employee. It can provide a death benefit that helps businesses replace lost sales, lower earnings and cover added costs for hiring and training a replacement, should a key person die.

## Financial tools

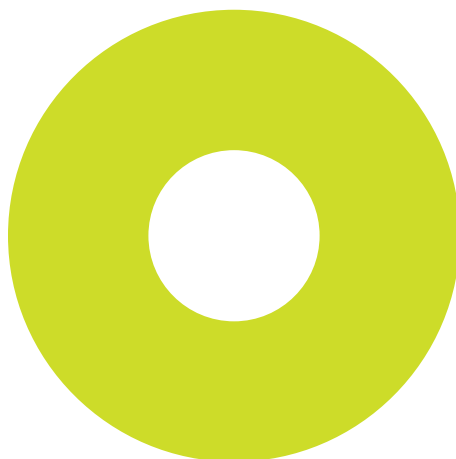
- Life insurance

## How it works

The business purchases a life insurance policy on the key employee, naming itself the beneficiary. Upon the key employee's death, the business receives the policy's death benefit and uses it for related business expenses or losses.

## Marketing tools

- [Key employee insurance business profile](#)
- [Key employee insurance employer client flyer](#)
- [Key employee life insurance foreword to counsel](#)
- [Employer owned life insurance foreword to counsel](#)



# Business succession



## Key question

**Have steps been identified to transfer the business to others at a fair price?**

### Strategies

- One way buy-sell
- Stay bonus
- Cross purchase buy-sell
- Entity redemption buy-sell
- Lifecycle buy-sell
- Cross endorsed buy-sell

### Financial tools

- Life insurance

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## One business owner

**A one way buy-sell arrangement** helps alleviate concerns about what will happen to a business if the sole owner dies. Concerns include possible difficulty in selling the business, tax issues and uncertainty about the continued success – or even loss – of the business.

### Target client

- Sole proprietor
- Concern over continuation of the business
- Has identified key employee or family member as a successor for the business

### How it works

1. The sole owner enters into a buy-sell arrangement with either a key employee or a family member. That individual is the owner and beneficiary of a life insurance policy on the business owner.
2. The business bonuses the premium payments to the key employee.
3. Upon death of the business owner, the key employee or family member is required to purchase ownership of the business from the estate of the deceased owner.
4. The key employee or family member then becomes sole owner of the business.

### Marketing tools

Here's a [one-way buy-sell arrangements flyer](#) you can share with clients.

For more information, refer to the [\*\*BOLD business succession financial professional guide\*\*](#)

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## Stay bonus

When a business owner dies, key employees may be concerned about the future of the business and want to ensure stability. Retaining key employees can help ensure a smooth transition to new ownership, maintain business integrity and preserve the business's value.

### Target client

Businesses with the following characteristics:

- Small business with one owner or a majority owner
- Key people are responsible for the strength and growth of the company

### How it works

1. The business purchases a life insurance policy on the business owner's life. The purpose of the policy's death benefit is to provide liquidity to potentially pay bonuses to select key employees after death of the owner.
2. If the business owner dies, a bonus agreement is drafted and executed to retain the key employees by providing a financial incentive to stay with the business.
3. The life insurance policy's death benefit proceeds provide the funds needed for the stay bonus.

### Marketing tools

- [Stay bonus business profile](#)
- [Stay bonus client flyer](#)

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## Multiple business owners

There are two basic types of buy-sell strategies for multiple business owners: cross purchase and entity redemption.

### Target client

Businesses with these characteristics:

- More than two or three owners
- May be organized as an S corporation, C corporation, LLC or partnership

### How it works

1. Each business owner applies for and owns a life insurance policy on the other owner(s)
2. If Owner A dies first, Owner B receives the income tax-free death benefit on Owner A.
3. Owner B uses the death benefit to buy Owner A's share of the business from the surviving family.
4. Owner A's family receives cash, and Owner B retains the business and becomes the sole owner.

### Marketing tools

- [Cross purchase buy-sell business profile](#)
- [Cross purchase buy-sell consumer flyer](#)

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## Entity redemption buy-sell arrangements – for 3+ owners

### Target client

Businesses with these characteristics:

- No more than two or three owners
- May be organized as an S corporation, C corporation, LLC or partnership

### How it works

- The business purchases a life insurance policy on each owner to help ensure the remaining owners have enough funds to redeem the shares of any owner who passes. The business owns and is beneficiary of all the policies.
- When Owner A dies, the company receives the tax-free death benefit from A's policy. The company purchases the shares from that owner's heirs with the policy's death benefit.

### Marketing tools

- [Entity redemption buy-sell business profile](#)
- [Entity redemption buy-sell consumer flyer](#)

Deciding whether to use cross purchase or entity redemption buy-sell arrangements involves complex considerations. To learn more, refer to the [\*\*BOLD\*\* business succession financial professional guide](#).

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## Advanced buy-sell techniques

A **lifecycle buy-sell arrangement** is an agreement that can ensure the smooth transition of business ownership in the face of the loss or disability of a business owner.

### Target client

Businesses with these characteristics:

- Three or more owners
- Organized as an S corporation, C corporation, LLC or partnership
- More than one business entity

### How it works

- Business owners create a new business entity to own life insurance policies on each of their lives.
- Owners contribute money each year to the new entity to pay the life insurance premiums.
- In the event of a buyout trigger, policy values or death benefits can be used to fund the buyout.

### Marketing tools

- [Lifecycle buy-sell arrangements business profile](#)
- [Lifecycle buy-sell arrangements consumer flyer](#)
- [Lifecycle buy-sell arrangements foreword to counsel](#)



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## Cross endorsed buy-sell arrangements

A cross endorsed buy-sell is an agreement between the owners of a company where each business owner purchases a policy on his or her own life and “rents” a portion of the death benefit to the other owners.

Each owner recognizes rental income but retains access to the cash value in his or her own policy. This strategy allows ownership of the insured’s own policy.

### Target client

Businesses with these characteristics:

- Are partnerships and LLCs taxed as partnerships
- Are C or S corporations where there is more than one owner, and the business owners are also partners in another business with common ownership that is taxed as a partnership
- Need to create a funding mechanism to fund a buy-sell agreement

### Marketing tools

- [Cross endorsed buy-sell business profile](#)
- [Cross endorsed buy-sell client flyer](#)
- [Cross endorsed buy-sell arrangement foreword to counsel](#)
- [Buy-sell arrangement foreword to counsel](#)



**At Securian Financial,  
we're here for family.  
And we're here because of it.**

We're guided by our purpose: helping customers build secure tomorrows. Since 1880, we've been building a uniquely diversified company that has outlasted economic ups and downs while staying true to our customers. We're committed to the markets we serve, providing insurance, investment and retirement solutions that give families the confidence to focus on what's truly valuable: banking memories with those who matter most.



## Learn more

Businesses come in all shapes and sizes – and so do their needs. Learn how BOLD can help identify and implement solutions that fit your client’s business and life stage.

Contact our sales support team today:

**1-877-696-6654** (Securian Financial and broker-dealer)

**1-888-413-7860**, option 1 (independent brokerage)

Or visit [securian.com/BOLD](https://securian.com/BOLD) for resources to start taking BOLD action.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

An annuity is intended to be a long-term, tax-deferred retirement vehicle. Earnings are taxable as ordinary income when distributed, and if withdrawn before age 59½, may be subject to a 10% federal tax penalty. If the annuity will fund an IRA or other tax qualified plan, the tax deferral feature offers no additional value. Qualified distributions from a Roth IRA are generally excluded from gross income, but taxes and penalties may apply to nonqualified distributions. There are charges and expenses associated with annuities, such as deferred sales charges (surrender charges) for early withdrawals.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Depending upon actual policy experience, the Owner may need to increase premium payments to keep the policy in force.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first 15 years of the contract. You should consult your tax advisor when considering taking a policy loan or withdrawal.

SecureCare may not be available in all states. Product features, including limitations and exclusions, may vary by state.

SecureCare Universal Life Insurance includes the Acceleration for Long-Term Care Agreement. The Acceleration for Long-Term Care Agreement is a tax qualified long-term care agreement that covers care such as nursing care, home and community based care, and informal care as defined in this agreement. This agreement provides for the payment of a monthly benefit for qualified long-term care services. This agreement is intended to provide federally tax qualified long-term care insurance benefits under Section 7702B of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under this agreement may be taxable.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name

in various states and may not be available in combination with other agreements.

Other than contribution limits or tax treatment, several other factors should be considered before purchasing any of these products. These include investment objectives, costs and expenses, liquidity, safety, fluctuation of principal or return, credit rates, rider availability, surrender periods and other product/ investment characteristics.

This material may contain a general analysis of federal tax issues. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. This information is provided to support the promotion or marketing of ideas that may benefit a taxpayer. Taxpayers should seek the advice of their own tax and legal advisors regarding any tax and legal issues applicable to their specific circumstances.

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