

An easy start with lasting benefits using Guaranteed Issue

Learn how to simplify the implementation of an employee benefit plan and allow new participants to be added with ease.



Guaranteed issue success story



Results

75
lives covered

\$560,000
total case premium

\$300,000+
advisor compensation

Company profile

- Tax-exempt hospital
- Approximately 1,500 employees
- Only benefit offered was a 403(b) qualified retirement plan

Opportunity/challenge

The hospital's administration noticed physicians and executives were being lured away with the promise of higher salaries and attractive executive benefits. This prompted a search for a way to attract and retain these key employees.

A solution

Researching options, their financial professional proposed a supplemental retirement savings plan with retention features and suggested life insurance funding. To address the hospital HR director's question about how the plan would help retain these key employees, the financial professional and client were joined by key experts from the Business and Advanced Solutions team and the client's attorney. They all discussed in detail how Principal® Bonus uses the employee repayment obligation and restrictive agreement provisions could help with retention efforts of their key employees. The client thought the plan design was just what they needed.

To overcome the HR director's concern about asking physicians and executives to follow the typical life insurance process which includes blood work and medical exams, the advisor suggested the Multi-Life Business Underwriting Program with Guaranteed Issue instead.

The bonus plan, funded with Principal Universal Life Flex IIISM, provided an effective executive benefit for 30 physicians and executives. It allowed for supplemental retirement income as well as a meaningful death benefit should the participant pass away prior to retirement.

Each year, around the plan anniversary, the hospital takes advantage of one of the major benefits of the Multi-Life Business Underwriting Program and adds 5 to 15 employees who have been hired during that year. The new policies are built to line up with the inforce policies in the plan.

As of 2018, this business case has grown to 75 physicians and executives all added on a Guaranteed Issue basis. The advisor has also gained several of the employees as personal clients.



Contact your Life RVP or call the Business and Advanced Solutions hotline 833-803-8345 to discuss potential sales opportunities.



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