



## SALES IDEA

### Principal<sup>®</sup> Term life insurance and Key person life insurance

# Increase sales with key person insurance.

You're a great resource to your business clients—they look to you for ways to help protect their business and achieve their financial goals. In addition to the many business planning solutions you can discuss with them, talk about protecting their business from the loss of an owner or a key employee. Then share the benefits of covering them with key person life insurance.

A key person policy financially protects the business from the loss of revenue and increased expenses in the event of death of an owner or key employee.

### Here's how it works:

- 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>
- Death proceeds may be used to help offset the cost of recruiting and training a new employee, along with any lost income.

## Full service solution support

Help your business clients protect their financial futures with our business solutions.

Our robust platform provides support before, during, and after the sale.

- **Before:** Use our key person calculator to help estimate key employee coverage needs and approximate cost; [principal.com/keypersoncalc](https://principal.com/keypersoncalc).
- **During:** Lean on our experienced team of wholesalers and Business and Advanced Solutions professionals for case design and sales support.
- **After:** Complimentary plan administrative services from our Business Market Administration team help relieve businesses of burden.

Offer your clients the benefits of our comprehensive products and services: our **business solutions platform** and **Term life insurance** using **Principal Accelerated Underwriting<sup>SM</sup>**.



### A CASE STUDY

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

**Quick tip:** Use our key person calculator to show clients a more complete business protection solution that also includes key person disability insurance.

### A SOLUTION

Mark 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 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.
- **Principal 20-Year Term:** Using a Term policy provides a cost-effective option that allows Mark to tailor the length of coverage based on Renee's estimated employment timeframe of an additional 15–20 years.

This solution can help Mark feel more confident about the success of his business.



Let's connect

Call the National Sales Desk today at 800-654-4278.

Visit us at [advisors.principal.com](https://advisors.principal.com).

<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.

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All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. They are not obligations of, nor backed by, the broker/dealer and/or insurance agency selling the policy, nor by any of their affiliates, and none of them makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Based on current federal income-tax laws, if insurance premiums are paid with after-tax dollars, the benefits are received income tax-free.

Product and riders are subject to state availability.

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