

A financing health tool to help with client conversations

Nonqualified deferred compensation plan financing is a key factor in overall plan health. And it's important to have conversations with your clients to make sure things stay on track. Our **Financing Health Dashboard** makes it easy for you to have ready access to information.

What is it?

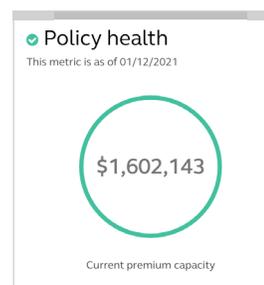
The Financing Health Dashboard is an innovative digital tool available to you and your clients that puts their plan's key financial information at your fingertips. The simple format focuses on several important metrics and offers insight into the plan sponsor's asset accumulation, distribution planning, and investment risk management. With a simple color card to show how they're doing, you can quickly identify topics of discussion and explore details for each one.

-  **Looking good!** An immediate action is most likely not needed.
-  **Stay aware!** An immediate action may not be needed. Keep a close eye on trends and changes.
-  **Plan and consider action!** Further discussion is needed. Talk about possible actions and consider if now's the time to act.

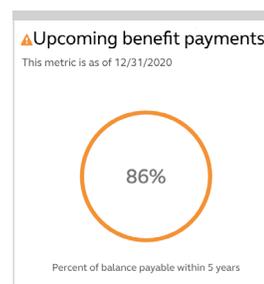
The metrics include both asset and plan topics, such as funding ratios, upcoming payments, and asset deposit capacity. Let's explore a few hypothetical examples.



An asset-liability ratio near 100% means this plan sponsor's assets are nearly sufficient if a plan payout occurred.

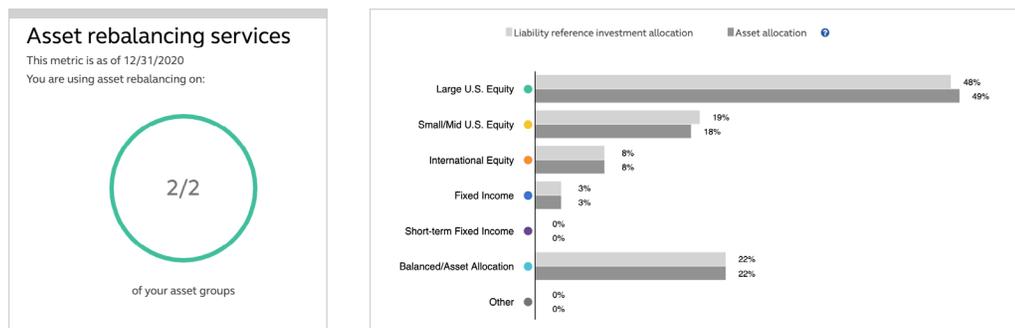


This plan sponsor with corporate-owned life insurance has enough premium room to make a big asset deposit for the March bonus deferrals.



There's a planning opportunity with this plan sponsor. Have they mapped out a cash flow strategy since several participants will be retiring soon?

Let's compare the investment styles of the assets with the plan. The plan sponsor in the example below is doing a good job of managing their financial statement investment risk.



How to use it

- Review the Financing Health Dashboard in advance of regular reviews with your clients.
- Develop your client action plan.
- Set a client meeting—the dashboard is completely digital, so you can meet in-person or virtually.
- Share the key takeaways from the dashboard metrics with your client and what they should be looking for as they use the dashboard in the future.

What's next

Access the dashboard

- Go to advisors.principal.com and log in to your account.
- Click **Existing Business** from the top navigation menu, then select **NQDC Dashboard**.
- Select the client you want to view, then click **Financing Health** from the left navigation menu.

Questions

Contact your nonqualified service representative for questions or to discuss ideas about how you can incorporate this into your practice.



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