SILA: Business Life Insurance

Course Description: Through its unique flexibility and adaptability, life insurance has become an essential business-planning ingredient, both in protecting against loss and assuring continuity. From outlining the basic types of business entities to specifying the roles of life insurance in business succession and employee retention, this course will equip financial-services professionals with the knowledge and confidence necessary to prospect, sell and service life insurance in the ever-expanding business marketplace.

Chapter 1 Basic Types of Businesses ..............................................................................................

Types of Business Entities: Sole proprietorships, Partnerships, Corporations; Business Financial Statements: Balance Sheet, Income Statement, Statement of Cash Flows; Interpreting Financial Data in Financial Statements; Using Financial Statements to Analyze Business Insurance Needs; Consequences of Termination of a Business; Defining Business Insurance; Reasons to Value a Business: Determining Fair Market Value, Insurable Interest, Insurable Interest and Business Partners, Insurable Interest and Key Employees; End of chapter review questions

Chapter 2 Business Succession Planning ..................................................................................

(The Tools of Business Succession Planning); The Buy-Sell Agreement )Benefits of the Insured Buy-Sell Agreement; Basis of the Buy-Sell Agreements; Contents of the Buy-Sell Agreement; Financing the Buy-Sell Agreement; Provisions in the Insured Buy-Sell Agreement); Buy/Sell Agreements for Business Succession; The Stock Redemption Plan (Basics of the Stock Redemption Agreement; Stock Redemption Plan Features; Advantages of the Cross Purchase Agreement; Disadvantages of the Cross Purchase Agreement); End of chapter review questions

Chapter 3 The Key Employee Protection Arrangements ..........................................................

Defining a Key Employee; Human Values in Business; The Cost to Replace a Key Person; Features of a Key Person Life Insurance Policy; End of chapter review questions

Chapter 4 Nonqualified Executive Benefits .............................................................................

The Salary Continuation Plan (The Mechanics of the Salary Continuation Plan); The Deferred Compensation Plans (Deferred Compensation Plans; Qualified Deferred Compensation Plan and Taxation; Types of Arrangements; Advantages of Non-Qualified Deferred Compensation Plans; Weighing the Options) End of chapter review questions

Chapter 5 Introducing the Split-Dollar Arrangement.................................................................

(The Split-Dollar Concept; The Split-Dollar Insurance Plan; Taxation and Split-Dollar-Plans; Advantages of Split-Dollar Life Insurance; Features of Split-Dollar Insurance; Understanding the Uses of Split-Dollar Business Insurance); Understanding Split-Dollar Elements (The Element of Taxation; The Element of Premium Payment Options; The Element of Ownership); Variations of Split-Dollar Plans (Private Split-Dollar); Understanding the Employer/the Employee in the Split-Dollar (Split-Dollar Insurance and the Employee); Benefits and Features of Split-Dollar (Introducing Benefits and Features; The Benefit of a Versatile Planning Tool) End of chapter review questions