

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 Types of Business Entities

Introduction; Sole Proprietorship; Partnership; Corporations; Business Financial Statements; Types of Financial Statements; Defining Business Insurance; Business Valuation and Determining Fair Market Value; Insurable Interest; Summary

Chapter 2 Business Succession Planning & Buy-Sell Agreements

Introduction; The Need for Business Succession Plans; The Need for a Team Approach; The Tools of Business Succession Planning; Sole Proprietorship Business Continuation Plan Options; Partnership Business Continuation Plan Options; Closely Held Corporation Buy-Sell Agreement Options; Section 303 Stock Redemptions; Tax Considerations for Buy-Sell Agreements; Summary

Chapter 3 Business Succession Planning & Key Employee Plans

Introduction; Defining a Key Employee; Human Values in Business; The Cost to Replace a Key Person; Key Employee Life Insurance; The Golden Handcuffs Concept; The Termination of Key Employee Life Insurance; Taxation of a Key Person Life Insurance Policy; Summary

Chapter 4 Non-qualified Executive Benefits

Introduction to Executive Benefits; Types of Executive Benefits; Section 162 Executive Bonus Plan Details; Salary Continuation Plans at Death; Non-Qualified Deferred Compensation; Qualified Deferred Compensation Plan and Taxation; Uses of Deferred Compensation; When to Use a Non-qualified Deferred Compensation Plan; Types of Non-qualified Deferred Compensation Plans; Tax Treatment to the Employer and Employee; Securing Benefits; The Deferred Compensation Agreement; Executive Benefit Plan Summary

Chapter 5 Split-Dollar Plans

Introduction – What is a Split-Dollar Plan?; Types of Split-Dollar Plans; Split-Dollar Plan Premium Variations; Endorsement; Taxation of Split-Dollar Plans; Equity Split-Dollar Plans; Non-Equity Split-Dollar Plans; Reverse Split-Dollar Plans; Taxation of Split-Dollar Plans Prior to the Final Regulations; The Final Split-Dollar Regulations; Types of Split-Dollar Plans Under the Final Regulations; Split-Dollar Plan Termination Rights; Key Employee Benefits; Deferred Compensation Plans; Business Continuation & Proprietorship Purchase Agreements; Advantages of Split-Dollar Plans; Disadvantages of Split-Dollar Plans; Summary