

BUSINESS INSURANCE

Virtus IUL III for the key person market

“You don’t build a business. You build people, and then people build the business.”

– Zig Ziglar, author and motivational speaker

A need for protection

Businesses often insure their important assets: The buildings they own, the equipment they use. But sometimes they miss the most important asset of all – their people. In every successful business there are key employees. They can be key drivers of sales, they can be product designers, they can be strategic thinkers, and the loss of their skills would have a painful monetary impact to the business.

Have your business owner clients identified and insured their key people? It takes time and energy to replace a key person. Business owners may need a solution to get through that replacement process while keeping their business running at the same time.

A key solution

A key person life insurance policy is owned by the business, with the business as the beneficiary. Usually, the business will use a term policy to provide this infusion of cash when it is most needed. Term has the advantage of being inexpensive and guaranteed. However, some businesses might prefer to use a permanent policy to cover this need. Permanent life insurance can provide an infusion of cash at other times when the business needs it – not just when a key person dies. Many businesses have intensive capital production requirements such as fronting a large amount of money for inventory, or bonding, or some other routine, but financially stressful, need.

Virtus IUL III for key person

Virtus Indexed Universal Life (IUL) III may be the right fit for businesses. In today's low interest rate environment, a traditional universal life policy or whole life policy may not provide the potential for enough cash value growth to attract a business owner. At the same time, a pure equity investment through a variable universal life insurance policy can pose too great a risk to the accumulated funds in a policy. The ability to tie interest rate crediting to an outside index, such as the S&P 500® Index, provides for higher potential growth (subject to caps) while protecting the business by limiting downside risk with a 0% floor*. Virtus IUL III may offer other attractive options for your business owner clients including:

- Access to different types of loans (Index and Standard) and the flexibility to switch between them on a rolling 12-month basis.
- All interest crediting enhanced by 5 basis points starting policy year 11. (Guaranteed for index account, current for fixed account.)
- Affordable cost of insurance and competitive expense levels.

Your clients' employees help make their businesses successful. Protecting against the loss of key employees is an important step in safeguarding the business. With the flexibility, protection, and cash value accumulation potential offered by a Virtus IUL III policy, you can help show your clients how permanent life insurance can be part of the solution to their business challenges.

Contact Advanced Planning at 877.665.2468 (option 1, 3) for more information.

* The policy's account value may still decline due to cost of insurance charges and expenses deducted.

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The Index Accounts are accounts that earn interest based, in part, on the growth of a corresponding stock market index, excluding dividends. When premiums are allocated to Index Accounts the dollars are not invested directly in any index or security.

If tax-free loans are taken and the policy lapses, a taxable event may occur. Withdrawals (partial surrenders) and loans from life insurance policies classified as modified endowment contracts may be subject to tax at the time the withdrawal or loan is taken and, if taken prior to age 59½, an additional 10% federal tax may apply. Withdrawals and loans reduce the death benefit and cash surrender value.

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