



Sales
idea

Principal® Term life
insurance and key person



Increase business market sales with key person insurance

You're a great resource to your business clients—they look to you for ways to 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 a key employee. Then share the benefits of covering their key employees with a Term life insurance policy.



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

Here's how it works:

- Business pays the premium on the key person policy, 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.¹
- Proceeds from death benefit are 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.
- **During:** Lean on our experienced team of wholesalers and Business and Advanced Solutions professionals for help with your cases.
- **After:** Complimentary plan administrative services relieve businesses of burden.



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.

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.
- **20-Year Term:** Using a Term policy 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.

Quick tip: Use Principal Accelerated UnderwritingSM to streamline the underwriting process. It's quick and convenient for both the key employee and financial professional with no exams or labs required.²

Leverage the business solutions platform and a Term insurance solution, using Principal Accelerated Underwriting, to help you provide added value to your business clients.



Call the National Sales Desk today at 800-654-4278, or your Life RVP.
Visit us at advisors.principal.com.

¹ 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.

² Accelerated Underwriting is an expedited program offered by Principal Life Insurance Company and available to 45–55% of applicants who qualify based on age, product, face amount, and personal history.

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