



One-Time *Executive Bonus Arrangement* to Reward Your Key Employees Using Single Premium Whole Life (SPWL)

Do either of these scenarios sound familiar to you as a business owner? Or perhaps you've encountered something similar?

- Your business just completed a massive contract or work project that brought significant revenue and profit to the business, thanks to one or two key employees. The work could not have succeeded but for their efforts.
- Your business has grown with the help of one or two key employees who took a chance on you and grew the business with you.

If so, you may be thinking about the best way to reward them and provide incentives to continue staying with the company and performing at a high level. A common way of doing this would be to consider a large cash bonus. Unfortunately, you know that the bonus may be quickly spent and you would like a better way to reward and create a more lasting impact on that employee.

A popular strategy would be a one-time Executive Bonus Arrangement. Instead of just giving cash, you could use the bonus to fund a Security Mutual Life **SecuritySP**SM Single Premium Whole Life insurance policy. In this way, your employee will have access to some fantastic benefits:

- Additional insurance to help financially protect his or her family;
- Supplemental retirement savings, with the cash values accumulating in the policy; and
- Living benefits in the event of chronic illness, terminal illness or disability, through various riders available to attach to **SecuritySP**.

This type of arrangement provides a lasting benefit that the employee will remember for a long time, instead of cash that can simply be spent immediately and quickly be out of mind. **SecuritySP** provides an enduring solution that helps show your employee that you deeply care.

You can even place certain restrictions on the arrangement for a period of time. Your employee can agree to not access the cash value of the policy without your consent in order to receive this benefit. This ties the employee even closer to the company. This strategy is known as a Restricted Executive Bonus Arrangement.

Generally, here's how an Executive Bonus Arrangement may work:

Jane, a 50-year-old female, preferred nonsmoker, is an executive in your company making about \$250,000. She has been with you from the beginning but is constantly solicited by your competitors. She recently helped you win and execute a huge contract. You want to give her a one-time bonus of \$100,000 from the profits earned on that contract. Instead of cash, the bonus is used for a **SecuritySP** life insurance policy from Security Mutual Life which may help financially protect her husband and two children; supplement her 401(k) plan and other retirement savings; and provide living benefits in the event of medical issues. By the time she retires at 65, she will have \$126,854 accumulated as accessible cash value. At 80, a lien-based Chronic Illness acceleration benefit in the amount of \$252,601¹ will be available in the event of a chronic illness.² This is a benefit that can have a lasting impact on her and her family's lives. (Please refer to the chart on Page 2.)

If you're a business owner looking for creative and highly specialized ways to tie your best employees to your business, look no further than using *SecuritySP* for an Executive Bonus Arrangement. Talk to your Security Mutual Life insurance agent today!

Contact me today and I will work with you to evaluate your specific needs:

Female - Age 50 - Preferred Nonsmoker Guaranteed Cash Values and Death Benefits				
Year	Attained Age (End of Year)	Premiums Base Policy (Beginning of Year)	Basic Cash Value (End of Year)	Death Benefit (Beginning of Year)
1	51	\$100,000	\$75,081	\$321,573
2	52	\$0	\$78,081	\$321,573
3	53	\$0	\$81,181	\$321,573
4	54	\$0	\$84,371	\$321,573
5	55	\$0	\$87,658	\$321,573
10	60	\$0	\$105,714	\$321,573
15	65	\$0	\$126,854	\$321,573
25	75	\$0	\$178,492	\$321,573
35	85	\$0	\$235,633	\$321,573
45	95	\$0	\$278,797	\$321,573
71	121	\$0	\$321,573	\$321,573

¹The amount, not subject to tax, is limited to the IRS limit. 2025 101(g) limit \$420/dayX365 days (\$153,300). Above this limit is taxable. This is inflation indexed.

²This is subject to no policy loans or other living benefits having been utilized, and this is only available if a chronic illness **as defined in the policy** occurs.

This publication describes the features of SecuritySPSM, a single premium whole life insurance policy, in general terms. This is not a policy. In the event of a conflict between the terms outlined within and the policy, the terms of the policy will control. Product, features and benefits may not be available in all states.

This publication is intended for general information purposes or to support the promotion or marketing of Security Mutual Life's products and does not constitute legal or tax advice. Tax laws are complex and subject to change. The information presented is based on current interpretation of the laws. This publication is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on the taxpayer under the Internal Revenue Code or any other applicable tax law. Taxpayers are advised to seek tax advice based on the taxpayer's particular circumstances from an independent tax advisor. This strategy may not be appropriate for everyone. Results will vary based on individual factors and policy performance.

The applicability of any strategy discussed is dependent upon your individual facts and circumstances. Results will vary. Products and services discussed may not be appropriate for all clients. Your needs, objectives and financial circumstances may be different and must be reviewed and analyzed independently.

The hypothetical example shown within is for illustrative purposes only and does not guarantee or predict the results of any particular product. In preparing the example, we did not take into account the investment objectives, financial situation or particular needs of a specific person. The depicted strategy may not be suitable or appropriate to your individual circumstances. Accordingly, it does not constitute a personal recommendation to you.

Loans from the policy will reduce the death benefit and cash surrender value and may cause the policy to lapse. Outstanding policy loans accrue interest. Lapse of a policy with a loan may have tax consequences.

CHRONIC ILLNESS ACCELERATED DEATH BENEFIT RIDER

The Chronic Illness Accelerated Death Benefit Rider is not available on all Security Mutual Life products. The Chronic Illness Accelerated Death Benefit Rider is not long-term care insurance or disability insurance.

Subject to the maximum benefit limit set by Internal Revenue Code for each calendar year. Payment under the Chronic Illness Benefit Rider is intended to qualify for favorable tax treatment under Section 101(g) of the Internal Revenue Code. However, payment made under this rider may be taxable depending upon specific facts and circumstances. Accordingly, the policyowner should consult with his or her tax advisor to determine the tax consequences before requesting the payment of an accelerated benefit under this rider. The receipt of accelerated death benefits may be taxable and may affect eligibility for public assistance programs.

This product is a life insurance policy and rider that accelerates the death benefit on account of chronic illness, and is not a health insurance policy or rider providing long-term care insurance subject to the minimum requirements of New York law or other applicable law, does not qualify for the New York State Long-Term Care Partnership program or similar programs in other jurisdictions, and is not a Medicare supplement policy or rider.

The Chronic Illness Benefit Rider may not cover all of the costs associated with the chronic illness of the insured.

There is no separate premium charge to add this rider. If exercised, the accelerated benefit payment will be reduced by an actuarial discount as prescribed by the rider and an administrative charge will be deducted from each benefit payment. Eligibility requirements apply.

A benefit payment results in reduced death benefits and cash values.

TERMINAL ILLNESS ACCELERATED DEATH BENEFIT RIDER

RECEIPT OF ACCELERATED DEATH BENEFITS MAY BE TAXABLE OR MAY AFFECT ELIGIBILITY FOR PUBLIC ASSISTANCE PROGRAMS.

CRITICAL ILLNESS ACCELERATED DEATH BENEFIT RIDER

RECEIPT OF ACCELERATED BENEFITS UNDER THE CRITICAL ILLNESS RIDER WILL REDUCE THE CASH VALUE AND DEATH BENEFIT OTHERWISE PAYABLE UNDER THE POLICY.

Life insurance products are issued by Security Mutual Life Insurance Company of New York. Eligibility for life insurance is subject to the Company's underwriting rules and receipt of payment. Premium rates will vary based on any and all information gathered during the underwriting process. Life insurance policies contain exclusions, limitations and terms for keeping them in force. Your life insurance agent can provide costs and details. Guarantees are based on the claims-paying ability of Security Mutual Life Insurance Company of New York.



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CLEAR FORM

Policy Form Nos. 2125-NY; ICC25-2125; Series 2125. Rider Form Nos. IO-9384-CHLN in NY; ICC20-IO9384-CHLN; Series IO-9384-CHLN.