

EISNER GOHN GROUP

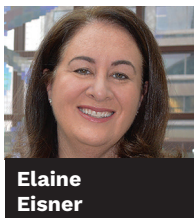
What assurance insurance do you have for you, your business and team members?

Your business may be your biggest asset, it may also be your most illiquid one. Using life insurance contracts to protect you, the business and your most important team members is an often-overlooked tool.

Life insurance on the business owner can provide immediate liquidity to the family, avoiding the proverbial “fire sale.” Cash value life insurance can grow tax-deferred, can be accessed tax-free* and is creditor protected in many states, including Ohio.

Business owners know firsthand that the loss of a key employee can have a detrimental impact on your business. Employees generally leave for one of three reasons: choice, disability or death. While life insurance cannot help someone choosing to leave, it can help with retention or death.

Life insurance can be a tool to help incentivize top team members to stay.



Elaine Eisner

“Golden handcuffs,” or formally titled deferred compensation plans, are powerful tools to accomplish this goal. These plans allow the business

to provide retirement income to select employees. The business may not want or be able to set aside a reserve fund to which a participant has a vested right. A life insurance policy is uniquely suited to informally finance a deferred compensation plan.

An executive bonus arrangement can help important team members own life insurance at little to no cost. The company can bonus the cost of the premiums as reasonable compensation, deduct those premiums and the employee owns cash value life insurance with all of its tax advantages. This is not as

restrictive as deferred compensation but still a valuable strategy.

Key person insurance provides tax-free funds to help against the economic losses the business may face when a key employee passes.

Taking the time to review your insurance plan to assure that you have the right tools in place is essential to minimize your risks, maintain an easy transition if a business owner passes to fund any buy/sell agreements and help retain your most valuable assets. ♦

**Loans against your policy accrue interest and decrease the death benefit and available cash surrender value by the amount of the outstanding loan and interest. Accessing cash value will reduce the available cash surrender value and death benefit. This article is for informational purposes only. Eisner Gohn Group LLC does not provide tax, legal or accounting advice.*

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