



Protecting your business investment

Insure against the unexpected loss of a key employee

Strategy for business owners

CASE STUDY



Meet Vince and Mark

Vince owns a large construction company. Mark is his employee, a well-respected civil engineer and general sales manager.

In 2008, Vince hired Mark to take his commercial construction company to the next level. Since then, Mark has continued to generate considerable sales for Vince's company. Since Mark is vital to the company's success, his loss to a competitor or unexpected death would expose Vince's business to financial risk.

You carry insurance coverage to protect your business from the loss of buildings and equipment, but what about your most valuable asset — your key employees?

A key employee may be a partner, a top executive, or an important member of your organization with unique talents, experience or skills. These individuals are crucial to the prosperity of your business. A key employee's death may create a significant financial risk. It could lead to business disruption, loss of profits, and the financial burden of recruiting and training a suitable replacement.

Help protect against this risk with key person insurance. It's the financial protection you need to help maintain business continuity and solvency in the event of a key employee's death. Often financial institutions and investors require that companies carry this coverage to protect their business loans and investments.

Vince's challenge

He wants to protect his business from the financial impact of the loss of his key employee, Mark.

The business protection strategy

Vince's advisor recommends key person insurance. If Mark should die or leave the company, the death benefit proceeds may be used to:



Replace lost revenue



Provide liquidity to recruit and train Mark's successor



Maintain business continuity for Vince's clients, creditors and employees

Protection and financial flexibility for Vince's business

Vince's business purchases a *Lincoln WealthPreserve*® IUL (2019) policy, with Mark as the insured. The business is the owner, premium payer and beneficiary of the policy. If Mark would pass away, the business can use the death benefit proceeds to help sustain its operations.¹

Vince feels confident about having guaranteed protection for his business. And, because the policy offers cash value growth potential, he also has a solution that gives his business flexibility to address future financial needs.

The outcome

The business will pay \$6,708 annual premiums in all years:
\$134,160 total premium through age 65

Key person protection:
\$1 million death benefit

Cash value at age 65:
\$150,294

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

¹ Excluding dividends.

Hypothetical example assumes a male, age 45, preferred nontobacco, \$1,000,000 level death benefit in the Plus Indexed Account of a protection indexed universal life insurance policy, \$6,708 annual premium paid in all years. Assumed rate 5.88%. State of North Carolina. Assuming 1% and current charges, \$55,679 cash value at age 65 and policy lapses at age 86.

Why choose *Lincoln WealthPreserve*[®] IUL?

- Guaranteed protection for long-term financial security
- Flexibility for your changing needs with growth opportunities and access to cash value
- Downside protection to help shield you from market losses
- Added protection options that can provide living benefits
- The strength of Lincoln Financial Group — For more than 100 years, we've remained committed to helping Americans plan for retirement, prepare for the unexpected, and protect their wealth from taxes, long-term health costs, longevity, inflation, and market risk. We have continued to keep our promises through challenging financial times, including the Great Depression and the Financial Crisis of 2008. Today, millions of Americans rely on us for the knowledge, experience and solutions to help them meet their goals.

Help strengthen and protect your business

Talk with your financial professional about planning with *Lincoln WealthPreserve* IUL.

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Product is compliant with principle-based reserving (PBR) and 2017 commissioners standard ordinary (CSO) table.

Important information:

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