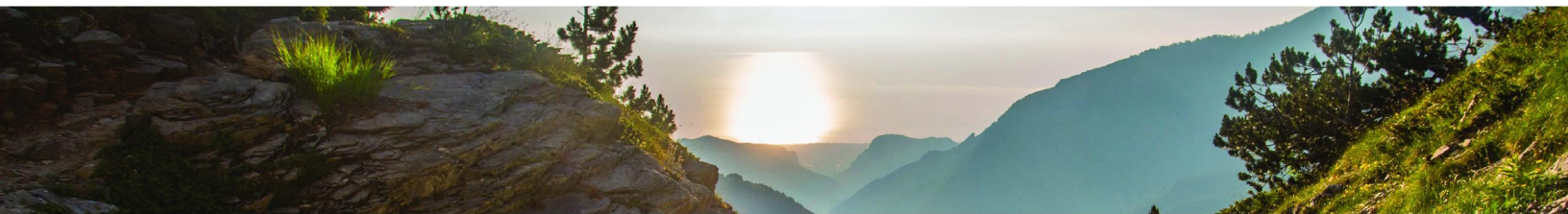


Executive Income Protection

Solutions for the Highly Compensated



Your Organization's Most Valuable Asset

A challenging economic environment makes it more difficult to provide competitive benefit packages that offer value for both employers and executives.

- Employees are extending their careers, thereby extending the need for adequate income protection.
 - Medical advances are extending life expectancy, resulting in a lifespan that is more likely to include disability rather than an earlier death.
 - Many employers are shifting much responsibility for retirement funding to executives.
 - As a result, executives are under greater pressure to maintain uninterrupted income during working years.
- Even highly compensated executives depend on their ability to work and earn income in order to maintain their lifestyle and accumulate retirement funds.
- An employer-sponsored group Long Term Disability (LTD) plan often provides inadequate protection and creates a false sense of security for many executives. The ability to maintain their lifestyles would be impossible in the event of an extended disability. While group LTD may provide basic coverage to all employees, it does not address the needs of the higher income, executive group.

Unintended Impacts on Key Employees

Reverse Discrimination—Monthly benefit maximums (caps) on employer—sponsored LTD plans subject the highly compensated group to lower income replacement ratios than other employees.

Excludes Significant Forms of Compensation—

Variable performance pay, bonuses and other incentives continue to be an important component of an executive's compensation and are often used to meet financial obligations. However, many group LTD plans cover only a portion of base salary and exclude these other forms of income.



Insufficient Retirement Accumulation—Higher Income executives need to save more for retirement and an extended disability would severely restrict their ability to continue funding for retirement.

Retirement Plan Contributions—401(k) contributions and employer matches discontinue during a long-term disability resulting in investment earnings and capital loss to the retirement plan that could be disastrous.

Restrictive Contract Language and No Ownership of Coverage—Group insurance coverage provided by an employer is generally not portable.

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Executive Disability Income Solutions

Innovative New Products— Effectively meet the income replacement and asset protection needs of executives in a coordinated fashion.

Higher Coverage Limits— Total coverage can approach or exceed \$50,000 per month.

Enhanced Guaranteed Standard Issue (GSI)

Programs— Provide easier access to coverage without the usual evidence of insurability requirements. Plans can be designed with or without employer funding.

Retirement Accumulation as an Executive Benefit

Executives are concerned about accumulating enough assets to generate adequate retirement income.

Supplemental Medical Benefits— Executive disability policies can be designed to include additional funds for catastrophic disabilities requiring long-term care and also provide lump-sum payments for severe disabilities.

Benefits of an Executive Disability Plan

- Reduce “reverse discrimination” resulting from uninsured forms of compensation and inadequate plan maximums
- Provide comprehensive contractual definitions that “match up” with the needs of executives

- Eliminate “offsets and restrictions” commonly contained in group LTD plans designed to keep costs low
- Improve underlying LTD price stability
- Enhance purchasing power by leveraging corporate tax deductibility of premium
- Provide for guaranteed standard issue and discounts
- Present opportunity to improve communication and enhance appreciation of benefits
- Address employee and family’s retirement funding needs offering peace of mind
- Enhance recruiting and retaining of key employees



Integrated Lifestyle and Retirement Protection

Innovative supplemental income protection policies offer flexible solutions to address multiple risks associated with long-term disabilities.

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