**How to transition into a focus, on the owner's key employees.  
We call these types of plans nonqualified deferred compensation plans.**

Let me ask you a few questions.

What do employers care about the most? What is on their minds all the time?

· The strength of their business

· Cash flow

· Credit lines

Employees

· Profit

· Benefits

· Retirement

· Spending more time with their families

What are they most scared to lose?

Their business

· Key employees

· Cash flow

· Time with their families

What happens if they lose a few key employees?

It can be devastating to overall productivity and profitability.

· The business owner many times must pick up the slack.

How hard is it for business owners to set up an attractive incentive plan in which they can lock in key people while attracting new talent and only put the people they want into the plan? Why?

· It's virtually impossible because of ERISA regulations.

**Ask the owner this**

Ask business owners if they would like to know how to set up a key employee incentive plan that would allow them to:

· Choose the participants

· Choose the funding amounts

· Choose the vesting schedules

· Choose the age when employees receive their benefits

· Have the possibility of leveraging the funds for current business needs

· Grow the benefits on a tax-deferred basis

· Build in a cost recovery mechanism

· Insulate the business from the impact of the death of a key employee

· Allow the business to be in 100 percent control of benefit access

· Have the ability to include a noncompete clause

What are the odds they will say no?

Once again, does anybody know the only investment vehicle that can produce all these benefits? A cash value life insurance policy, properly designed, positioned, and funded in a business . . . by you!

Here's how I introduce the solution: I say, "If I could show you how to set up this type of plan for each of your key employees, would you be able to invest $10,000 per year into each employee's plan?"

Remember, their [health insurance](http://www.insurancenewsnet.com/aca.aspx) premiums for their company are probably $50,000 to $500,000 per year; $10,000 for a crucial employee is a piece of cake.

Then I say, "The difference with my plan versus your other employee benefits is that I make sure your plan does not fall under the ERISA guidelines, so you can control all aspects of the plan to maximize the benefits for you and the key employees. All of the other plans heavily favor the employees only."

How does this sound so far? How are you going to let them know you just asked them to buy a $10,000 premium life insurance policy for each of their seven key people? No problem, right? Well, it actually is! Believe it or not, the people who are the least scared of large premium insurance policies are business owners. Remember how much they're already paying for their business: health, liability, overhead, and workers' compensation policies. They're already desensitized to $10,000 to $100,000 premiums.

**About paying those premiums**

Now don't get me wrong. I'm not saying that they enjoy paying the premiums. What I'm saying is that business owners are willing to invest their resources into profitable endeavors for their company.

One of the greatest assets business owners have is their key employees . . . and they know it! And they are willing to invest in that asset to ensure their business's continuing profitability.

When trying to stomach the fact that you are asking for large premiums, always try to put things in perspective. An $833 per month truck payment is $10,000 per year. For entrepreneurs, their key employees are worth much more than a truck. The other extremely important factor that many of you have never tapped into is the power of the business checkbook verses the personal checkbook. In my opinion, this could be the single most important aspect of working with a business owner. …

Sincerely,

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President

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