The CLOSING CONCEPT

Advanced Guidance for Complex Sales Strategies

Executive Bonus Planning Made Simple

For many business owners, the biggest risk is losing key staff. As competition for top talent increases, the ability to reward and retain high-value employees can directly impact long-term success. An executive bonus strategy, powered by a properly structured life insurance policy, offers a simple way to strengthen retention.

The Client's Problem: A Key Employee at Risk of Leaving

The client was a CEO of a growing consulting firm and had built his business around a small group of trusted leaders. One executive in particular had been instrumental in driving growth.

The client suspected that this executive had begun exploring other opportunities and worried that he could be drawn by firms offering more competitive long-term compensation and benefits. However, he didn't want to introduce a complex or costly compensation plan that would be difficult to manage.

The Opportunity: Strengthening Retention With a Targeted Approach

Instead of reacting with a salary increase or one-time bonus, the producer helped the CEO consider a more strategic approach that could create a long-term reason to stay.

An executive bonus arrangement, designed specifically for key employees, offered the ideal path forward. It allowed the CEO to reward high performance, reinforce loyalty and differentiate his firm — without the limitations or complexity of qualified plans. It could also be offered to other key employees, at the CEO's discretion.

Just as importantly, it created a conversation with the key executive that went beyond short-term pay and focused on long-term value.

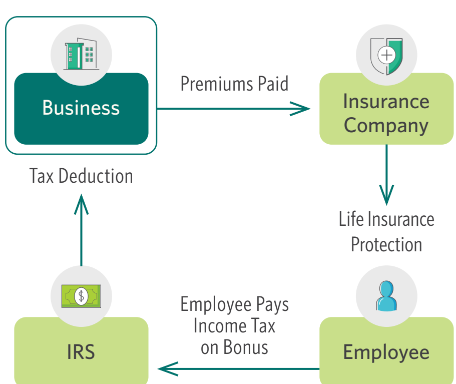
The Solution: A Simple Executive Bonus

With the producer's help and after seeing the illustration, the firm implemented an executive bonus program using **Income Advantage[SM] Indexed Universal Life (IUL)**.

Here's how the plan came together:

- The company provided an annual $25,000 bonus, treated as tax-deductible compensation (subject to applicable rules).
- The executives used the bonus to fund an Income Advantage IUL policy, which they personally owned and controlled.
- The policy was designed for efficient cash value accumulation and long-term flexibility, supporting future income needs.

How an Executive Bonus Strategy Works



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Mutual of Omaha

This approach brought value on both sides:

- For the CEO, a focused retention tool that aligned with business goals and was simpler and less expensive than qualified savings plans to implement. It also allowed the CEO to offer this bonus only to select employees, unlike a qualified savings plan.
- For the executive, access to tax-advantaged accumulation, supplemental retirement income potential and long-term protection.

Why Mutual of Omaha: Practical Solutions for Real Retention Results

Mutual of Omaha understands that business owners need solutions that are both effective and practical. Executive bonus strategies funded with Income Advantage IUL offer a balance of simplicity, low cost, flexibility and long-term value.

With Advanced Markets support and tools designed to clearly illustrate outcomes, producers can help business owners implement strategies that are easy to understand and even easier to act on.

Producer Pro-Tip: Focus on Retention Before It Becomes Replacement

When working with business-owner clients, ask whether they can afford to lose their key employees.

Position executive bonus planning as a proactive way to reward loyalty and create long-term alignment — before competitors make the first move.

To learn more about this concept contact your Mutual of Omaha Sales Director.

Contact your dedicated Mutual of Omaha Sales Support Team for any pre-sale inquiries at 1-800-693-6083 or email at sales.support@mutualofomaha.com.