



Executive Benefits

The Ultimate Competitive Advantage



Success depends on the talents of an organization's key people.

NFP research reveals that almost nine in 10 business leaders say they can't afford to lose top talent — and they're right.¹

Fortunately, strategic executive compensation and benefits offer practical, proven ways to recognize and retain key talent.

Why choose us for your executive benefits?

Retaining top talent is vital to organization's success. As a top executive benefit provider, we specialize in designing and administering executive benefit plans tailored to meet the unique needs of your company and its key employees.

- **Our commitment** extends beyond providing competitive solutions; we work to support the well-being of your executives and the overall health of your business.
- **Cost-effective, easily implemented** and seamlessly administered benefit plans create significant advantages for modern businesses. Our approach is customized to align with your specific requirements.
- **As independent advisors**, we provide funding- and vendor-agnostic expertise, allowing you the flexibility to select the most suitable options to protect your executives' lifestyles and support your financial goals.

Public and private firms, financial institutions, health-care groups and nonprofits use our solutions to address their toughest challenges.

When you work with our Executive Benefits team, you work with all of NFP, an integrated organization of consultative advisors and problem solvers. We provide expertise to help companies and individuals address their most significant risk, workforce, wealth management and retirement challenges.

Invest in your best people with strategic benefits.

In any employment environment, the direct costs to replace a highly compensated executive are estimated to be 200% of the annual salary associated with that position. If indirect expenses are considered, the total cost can increase to 400%.² Considering the competitiveness of the upper end of the employment market, attracting and retaining key employees through meaningful benefits is critical.

Addressing the unintended shortfalls of group benefit and retirement programs.

A common rule of thumb is that retirees will need 70% to 80% of their final income to maintain their standard of living during retirement. Highly compensated employees may only be able to replace 30% to 50% of their salary — creating a retirement income gap.

Regulatory limits on qualified retirement plans and plan design caps on group disability and life insurance programs create shortfalls decrease the effectiveness of these valuable programs.

Fortunately, executive benefit solutions allow you to bridge the gap, giving you an essential recruiting and retention advantage.



Executive benefits solutions done the right way.

Executive Retirement

Pre-Tax Saving

Deferred Compensation Plans and Supplemental Executive Retirement Plans

- These solutions help your domestic and international executives save more income so they can make up the shortfall caused by limits on a qualified plan, such as an IRA, 401(k) or 403(b).
- You get affordable, tailored plans with expert execution backed by the latest technology and daily support.

After-Tax Saving

Bonus Plans and Voluntary Savings Plans

- To motivate and reward executives, you can pay the premiums on a specially designed, employee-owned life insurance policy. The premium amount becomes a compensation bonus to the executive.
- We properly structure these plans so that the policy's tax-advantaged cash value accumulation and death benefits help provide your executives with significant income and survivor benefits.

Income Protection

Disability

- Corporate-sponsored disability insurance (DI) closes the compensation gap your executives face with most group long-term disability benefits plans. Bonus compensation and base salary above a certain maximum aren't covered, and disability benefits are subject to federal, state and local taxes.
- Our proprietary operating platform lets you implement DI benefits for high earners in a way that has little impact on corporate HR through:
 - Increased coverage maximums
 - Protected bonus compensation
 - Tax-free benefits

Long-Term Care (LTC)

- LTC insurance helps protect productivity among employees who are working caregivers — and helps contain health insurance costs. By offering this solution, you can fill the gap in your benefits portfolio, creating a meaningful offering for key employees and another talent retention tool for your organization.
- We are an industry leader in providing long-term care solutions. This allows us to leverage our block of business to negotiate the highest coverage limits and best pricing parameters. We have the unique ability to enroll and educate employees, ensuring the optimal outcome for their individual needs through our state-of-the-art administration and enrollment platform.



Institutional Funding Solutions

Bank-Owned Life Insurance (BOLI)

- Informally funding an executive benefits plan with a tax-advantaged BOLI asset versus taxable assets can help banks offset the rapidly rising costs of broad-based benefits programs and deliver income. BOLI may also generate higher tax-equivalent yields than most traditional bank investments.
- You get access to our unique BOLI service model, which ensures you have information on every aspect of the transaction and plan design. Then, we help you implement, monitor and maintain those assets in line with the most current regulatory and compliance requirements.

Corporate-Owned Life Insurance (COLI)

- Many employers buy COLI to hedge future benefits obligations. They use it as a financing strategy to offset the costs associated with nonqualified deferred compensation plans or other broad-based benefits programs.
- Our relationships with top-rated COLI carriers offer access to in-depth analysis of the product choices, design, costs and supporting due diligence needed for the successful implementation of a COLI program. We support you with ongoing reporting and administrative services. Our team will monitor the future obligations of your employee benefits plans and help you establish funding strategies to meet them.

Insurance Company-Owned Life Insurance (ICOLI)

- Whether for a life and health or property and casualty provider, ICOLI is a viable structuring tool to enhance alternative asset allocations. ICOLI can offer multiple benefits for insurance companies when it comes to addressing immediate and future obligations or simply to enhance a company's overall financial position.
- NFP is one of the few true corporate counterparties that can deliver a fully integrated ICOLI solution. Our investment team partners help create ICOLI portfolios that align with your current investments. Experienced, demonstrated ICOLI expertise that delivers measurably better results.

Executive Life Insurance

Split-Dollar Life Insurance* and Death-Benefit-Only Plans

- When your company purchases split-dollar life insurance, it pays the premiums and owns the cash value and death benefit. The term “split-dollar” refers to the fact that the policy death benefits are split between your company and the employee.
- In the event of a death, the benefit specified in the plan document is paid directly from your company to the employee's beneficiaries. No life insurance has to be purchased in conjunction with this plan — it's simply an obligation of the bank to the employee.

*Split-dollar insurance is not an insurance policy; it's a method of paying for insurance coverage. A split-dollar plan is an arrangement between two parties that involves “splitting” certain specified components of the policy. These arrangements are subject to Split-Dollar Final Regulations that apply for purposes of federal income, employment and gift taxes. The final regulations provide that the tax treatment of split-dollar life insurance arrangements will be determined under one of two sets of rules, depending on who owns the policy.



Stand out in recruiting and retention by offering a competitive executive benefits program.

Executive benefits administration solutions that make your job easier.

BOLI Administration

- Our proprietary BOLI administration platform, NFP Connect, provides a complete and secure web experience for your financial institution and participating executives.
- The insurance company directly provides us with reportable values, ensuring accuracy. We also get bank-reporting data and the data needed to accommodate state and federal regulatory requirements.

Global Benefits Administration

- We accommodate global schemes requiring the valuation of funds from worldwide markets. More importantly, our specialists have a nuanced understanding of the impacts of underlying investments, trusts, nominees, custodians and currency exchange requirements on contributions, valuations, special distributions and other unique processes.
- Our benefits administration platform allows your company to work with any trust services provider or investment manager in the world to seamlessly manage the legal, jurisdictional and compliance issues of global benefits. You get special reporting on currency exposure, residency and other international concerns.

Nonqualified Deferred Compensation

- You receive a nonqualified deferred compensation plan designed to meet your executives' and your company's unique needs.
- The plan is supported by financing options, an implementation timetable and plan administration services, including:
 - Participant investment option processing
 - Contribution earnings/losses allocation
 - Maintenance of balance information
 - Calculation and tracking of vesting schedules and distributions
 - Creation of plan liability reports for asset rebalancing

Here's how we work on your behalf.

We're known for our efficient action plan and personal approach. Our three-step process has your business and executives in mind every step of the way.

First, you get advice.

- **Plan design consulting:** An open-architecture design plan that helps you evaluate contribution sources, distribution options, funding considerations and investment choices.
- **Documentation:** Compliant documentation based on the specific benefits plan design chosen.
- **Implementation and enrollment:** A detailed implementation timeline, coordinated data exchanges, administration guidelines and customized enrollment materials.



Next, you get implementation guidance.

- **Case design and modeling:** Benefits plan design analytics, including “What if?” modeling and detailed cash-flow and profit-and-loss forecasts, as well as financing analytics that include testing for premium sustainability, investment drag and carrier/product analysis.
- **Investment option analytics:** Analysis of financial hedge to offset plan liabilities, drafting of investment policy statement, due diligence reviews and guidance on funds and asset allocation models.
- **Product placement:** Product selection assistance based on an educational approach and client needs.
- **Conversion:** Seamless execution of your transition plan by a talented team of knowledgeable professionals.

Then, you get continuous, personalized service.

- **Record keeping and administration** — Processing of plan contributions and plan reporting to participants and sponsors, asset support and COLI, BOLI and ICOLI services, premium processing and cash-value reporting.
- **Web access** — Dedicated participant and sponsor sites, including solutions for international plans.

You want top executives who will make your company successful. Those executives want long-term financial security. A forward-thinking benefits plan is a win-win.

Contact NFP’s Executive Benefits team today to transform your executive benefits strategy into a powerful retention tool:
executivebenefits@nfp.com



Sources:

1. NFP, “2024 NFP US Executive Compensation and Trend Report,” 2024.
2. HR Magazine Article, “Employee turnover: Learn to calculate and improve yours.” 2023.

About NFP

NFP, an Aon company, is an organization of consultative advisors and problem solvers helping companies and individuals address their most significant risk, workforce, wealth management, and retirement challenges. With colleagues across the US, Puerto Rico, Canada, UK, and Ireland, we serve a diversity of clients, industries, and communities.

Our global capabilities, specialized expertise, and customized solutions span property and casualty insurance, benefits, wealth management, and retirement plan advisory. Together, we put people first, prioritize partnerships, and continuously advance a culture we're proud of.

For more information, visit [NFP.com](https://www.nfp.com).

NFP Corp. and its subsidiaries do not provide legal or tax advice. Compliance, regulatory and related content is for general informational purposes and is not guaranteed to be accurate or complete. You should consult an attorney or tax professional regarding the application or potential implications of laws, regulations or policies to your specific circumstances.

Insurance services provided through NFP Executive Benefits, LLC. (NFP EB), a subsidiary of NFP Corp. (NFP). Doing business in California as NFP Executive Benefits & Insurance Agency, LLC. (License #OH86767). Securities offered through Kestra Investment Services, LLC, member FINRA/SIPC. Kestra Investment Services, LLC is not affiliated with NFP or NFP EB.

Investor Disclosures: kestrafinancial.com/disclosures

11/24 (221098) Copyright © 2024 NFP. All rights reserved.

For your business.

For your people.

For your life.

[NFP.com](https://www.nfp.com)

