

# Effective Executive Benefit Solutions For Uncertain Times

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It is impossible to escape the negative implications of the current financial climate. It is a fact that the future always carries many unknowns, but these days the "fear factor" is escalating, sometimes beyond reason.

These turbulent times challenge the stability of even the most successful companies. The role of all employees is magnified when a company experiences a downturn in business. This is especially true for the company's leadership and key employees, those few employees at the top who bring solutions or expand resources and are pivotal to the company's bottom line.

## THE PROBLEM

While the key employees of the company are very cognizant of the risk faced by the company, they may not be expressing their worries regarding their future. There is no doubt that, like most Americans, they are increasingly less confident of their retirement picture. When an employee is confused and unsure about their personal security and future retirement resources, it forms a distraction that can't help but affect their day to day actions and the results they produce. It is important to recognize that the consequence of these sentiments could eventually have a very negative impact on the company. However helping key employees with their benefit and planning gaps can go a long way in engendering their commitment and further securing their participation in the financial success and security of the company. Ultimately providing an element of security for the company's talent can reduce or in many cases eliminate retention problems. It is no secret that key people often leave their employer out of necessity, moving to a company who they feel will help secure their future and the important protection for their family. Loyalty goes by the wayside when opportunity knocks. In the battle for key talent, employers with comprehensive compensation packages that include Selective Executive Benefits will win in the end.

Studies have shown that personal worries, concerns about the economy, and unease within an individual's economic security interfere with productivity and judgment and can affect the safety and success of a

company. Many successful companies recognize the threat but find access to a remedy elusive. The path to reasonable, predictable and appropriate solutions without guidance is not readily available

## DANGEROUS LOGIC

Often company executives, who are experiencing this economic effect on their company with rising costs of production and decreased sales, take a position that there needs to be a moratorium on benefit offers to key employees. The truth is often quite the opposite. It may be that during these downturns in the economy a company could benefit from effectively targeting key employee benefit solutions.

As key employee's age and truly reach the top of their "game," they desire and may very well deserve to have at least a moderate degree of confidence that all of their needs and the needs of their families will be met.

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## THE SOLUTION

There is unnecessary confusion when it comes to designing and implementing the right benefit solutions. Many employers and business owners are unaware of the tools available to offer affordable, flexible and effective benefit solutions. Employers need a demystification of what is commonly referred to in the catch all term; Selective Executive Benefit Plans. Acronyms like SERP's, Executive Bonus Plans or Sec. 162 Plans are bandied about. Without an understanding they are often avoided or in the worst case improperly designed and implemented, not achieving the intended goal.

However, when properly understood Selective Executive Benefit Plans can work very effectively for the company and the employee.

The common underpinning for the success of these plans is Whole Life Insurance. Life Insurance has served businesses and individuals for well over a hundred years. Unfortunately, for many individuals

who have the need for wealth accumulation and protection, there is more misleading and confusing information regarding the role of Whole Life Insurance than clear factual information and future outcome comparisons.

Life Insurance has played a significant role in the wealth of this country. It is one of the most effective tools for creating an asset while providing income and family protection. One of the best attributes of Whole Life Insurance is the ability to access the Cash Values within the policy for any number of reasons. For greater than a century many successful companies and countless individual policyholders have recognized the value of and utilized the Cash Value build up within a policy as a unique "accumulation and protection tool."

Consider the flexibility of a properly designed Whole Life Insurance Plan.

1. Guaranteed Lifetime Death Benefit
2. Guaranteed Cash Accumulations that at a predetermined point equals and then grows to exceeds premiums paid
3. Dividends are not guaranteed. They are declared annually by Guardian's Board of Directors.
4. Tax deferred growth and tax advantaged distribution options
5. Provisions for disability protection and funding future long term care needs. Riders may incur additional expense.
6. Protected from creditors in some cases. Please check with your individual state insurance department.
7. Flexibility regarding premiums and withdrawals
8. Potential for modest returns by limiting exposure to losses

Certain companies have long utilized these tools because of their potential power, and predictable results. They recognize in part that they have a role in helping to assure their key employees that the company values their contribution and will offer benefits which provide security for their current and future needs. Life Insurance can play an important role in protecting the insured in the event of sickness, accident, death, and retirement.

Owners and shareholders want their company's leadership team to be completely focused on producing results. The consequences may be they are not adequately committing the time and resources into protecting themselves. Acknowledge them for their commitments by helping them to have more confidence in their futures and that of their families utilizing well designed Selective Executive Benefits.

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