

KEY PERSON INSURANCE

Losing a key leader doesn't mean your credit union has to lose ground.



If a key leader unexpectedly passes away, how will you safeguard your credit union's future?

It's quite common for credit unions to be focused on the goals most important right now, like Return on Assets (ROA). But without the right succession plan in place, you could be putting your ROA at risk—not to mention hampering your ability to stay competitive and compliant.

Key Person Insurance from CUNA Mutual Group* is designed to protect you from the financial impact of losing an executive who is vital to your business. The credit union, which pays all premiums and is the beneficiary, can use the policy proceeds to cover costs involved in transitioning your credit union to compensate for the sudden loss.

Policy benefits can be used to:

- Recruit and train a replacement executive
- Replace lost revenue associated with the loss of the deceased leader

- Provide funds to continue salary payments to the executive's family
- Strengthen your credit union's working capital and balance sheet

As part of a complete executive benefits package, Key Person Insurance could also help you attract more top talent, because it shows prospective executives how critical and valued they are to your organization.

*Insurance is sold through CUNA Mutual Insurance Society or CUNA Mutual Insurance Agency. This insurance is not a deposit and is not federally insured or guaranteed by your credit union.

How can Key Person Insurance benefit your credit union?

Immediate reassurance.

Key Person Insurance can keep you from feeling overwhelmed after the loss of a key figure in your organization. With Key Person Insurance, you can quickly preserve confidence, maintain focus, and keep operations running smoothly.

Maintain cash flow.

Key Person Insurance can be set up to help alleviate the burden of financial obligations specific to fulfilling salary continuation, deferred compensation, and recruiting new leadership. Ultimately, you could pursue business opportunities that strengthen future assets rather than struggle to satisfy unanticipated liabilities.

Moving forward successfully.

With the ever-increasing pressure to stay competitive and compliant, Key Person Insurance can also offset potentially negative financial performance during this challenging period. The policy could be used to develop a cash value and be shown as an asset on your balance sheet to offset benefit obligations.

The value of Key Person Insurance

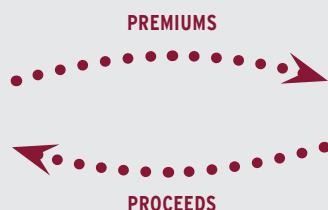
RECOVER FINANCIALLY FROM A LOSS.

While uncertainty can paralyze organizations in a similar situation, you can move forward confidently.



CREDIT UNION

• Credit union owns the policy



LIFE INSURANCE COMPANY

• After death, the credit union collects the policy proceeds

KEY PERSON INSURANCE

Valuing a key employee.

There are several ways to estimate the worth of an executive. The easiest way is to simply multiply that employee's total compensation package (e.g., two times annual compensation) and factor in the expenses associated with finding a qualified replacement. A CUNA Mutual Executive Benefits Specialist can walk you through other ways to ensure the employee value is an accurate assessment.

Peace of mind.

Your credit union can be turned upside down by the tragic loss of a key executive. Key Person Insurance is a wise strategy for safeguarding your credit union's long-term financial success. Your Executive Benefits Specialist will take you through an established process designed to help you create and implement an effective program. Through a comprehensive assessment process, we work with your HR team, Board of Directors, and executive leadership team to help develop a competitive and contemporary executive benefits plan that's aligned with your credit union's objectives.

Why partner with CUNA Mutual Group to develop your executive benefits plan?

CUNA Mutual Group is your best ally. No other organization brings more knowledge and experience to the credit union movement. We've supported credit unions for more than 70 years, and you can always rest assured that our expert team will deliver ongoing, unmatched support.

Our experienced, credentialed, and knowledgeable Executive Benefits Specialists are committed to serving your credit union personally. In addition, we have a full, behind-the-scenes team providing support and assistance.

- Internal Executive Benefits Specialists who are an extension of your specific EBS
- Intelligence experts that provide plan design and review, and keep an eye on regulations for potential impacts
- Service Center staffed with Registered Representatives* available Monday-Friday, 8 a.m. to 5 p.m., CST
- Web site: execben.cunamutual.com

How can Key Person Insurance from CUNA Mutual help keep your credit union competitive and compliant?

Let us help you establish an attractive benefits package that rewards and retains the people to help your credit union survive and thrive in the years ahead. Contact your Executive Benefits Specialist or the Service Center at **800.356.2644, ext. 1035** to schedule an assessment of your executive benefits plan—all at no charge to your credit union.

*Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free 800.369.2862. **Nondeposit investment and insurance products are not federally insured, involve investment risk, may lose value, and are not obligations of or guaranteed by the financial institution.** CBSI is under contract with the financial institution, through the financial services program, to make securities available to members.

CUNA Mutual Group Proprietary and Confidential. Further Reproduction, Adaptation, or Distribution Prohibited.
EXBEN-Q309-KP51 © CUNA Mutual Group, 2009 All Rights Reserved.

CUNA Mutual Group is a leading provider of financial services to credit unions, their members, and valued customers worldwide. With more than 70 years of market commitment, CUNA Mutual's vision is unwavering: to be a trusted business partner who delivers service excellence with customer-focused, best-in-class products and market-driven innovation.

Visit execben.cunamutual.com or call 800.356.2644, ext. 1035 for more information.



P.O. Box 391
5910 Mineral Point Road
Madison, WI 53701-0391
800.356.2644
www.cunamutual.com

Common Purpose. Uncommon Commitment.