



M Benefit Solutions  
Bank Strategies®

An M Financial Group Company

# THE BOTTOM LINE

EXECUTIVE AND DIRECTOR BENEFITS AND BOLI

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## HIGHLIGHTS OF THIS ISSUE

- COVERING THE GAP: SUPPLEMENTAL RETIREMENT PLANS AND THE NEED FOR BANK-OWNED DISABILITY INSURANCE
- M BENEFIT SOLUTIONS WELCOMES DAVID WATROS AS THE NEW PRESIDENT
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## COVERING THE GAP: SUPPLEMENTAL RETIREMENT PLANS AND THE NEED FOR BANK-OWNED DISABILITY INSURANCE

Banks often offer key executives Supplemental Executive Retirement Plans and use life insurance to

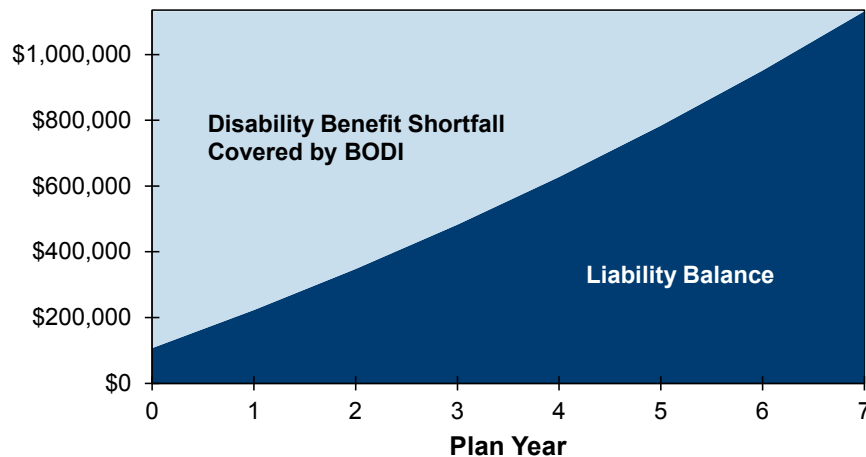
offset the costs of the retirement program. During working years, these executives face a greater risk of disability versus death. In the event of disability, a SERP arrangement may cause either a balance sheet problem for the bank or a financial planning concern for the executive.

Disability happens more often than you might think:

- Almost one-third of Americans entering the work force today will become disabled before they retire. *Social Security Administration Fact Sheet, February 7, 2013*
- 40% of all 45-year olds will suffer a disability lasting longer than 90 days prior to age 65. *Gen Re Disability Fact Book, 2013–2014*
- Accidents are not usually the cause of disability. Back injuries, cancer, heart disease and other illnesses cause the majority of long-term absences. *Council for Disability Awareness*

Bank-Owned Disability Insurance (BODI) can provide key bank executives with disability benefits in Supplemental Executive Retirement Plans and insure the shortfall in balance sheet liabilities that occur in the event of disability.

### Bank-Owned Disability Insurance



M Benefit Solutions has partnered with Exceptional Risk Advisors to offer banks with SERPs a solution to provide disability benefits and mitigate the financial impact on the bank. When a disability occurs in the early years of the retirement plan and if benefits are due, the bank must make up the difference in the liability balance



accrued and the disability benefit payable. This shortfall can pose a balance sheet challenge for the bank, which can be mitigated with Bank-Owned Disability Insurance. Because the need for coverage is greater in early years, the BODI policies are available in terms of five years.

For more information on Bank-Owned Disability Insurance, contact Shirley McMillan at [shirley.mcmillan@mben.com](mailto:shirley.mcmillan@mben.com).



## M BENEFIT SOLUTIONS WELCOMES DAVID WATROS AS THE NEW PRESIDENT



In August 2016, David Watros was named President of M Benefit Solutions. David joined M Financial in 1991 and has more than 30 years of experience in the financial services industry. He has extensive experience working with M Member Firms, distributors, insurance carriers, and service providers on behalf of corporate and professional clients in the design and implementation of customized income continuation and retirement planning solutions. As President, David is responsible for strategic and operational aspects of the company.

### UPCOMING EVENTS

#### ICBA Community Banking Live 2017

**MARCH 15–19, 2017**

**HENRY B. GONZALEZ CONVENTION CENTER**

**SAN ANTONIO, TX**

Please join us at Booth 408 on Main Street in the Exhibit Hall for free ice cream!

#### 2017 FMS—The Finance and Accounting Forum for Financial Institutions

**JUNE 25–27, 2017**

**RED ROCK CASINO**

**LAS VEGAS, NV**



## ADVISOR FIRMS

M Benefit Solutions - Bank Strategies is structured to provide our clients with consistent nationwide coverage. We have identified several Advisors with extensive experience in bank executive and director benefits and BOLI to provide consulting services to clients nationwide.\*

Distributed throughout the country, these Advisors work with M Benefit Solutions and bank clients to design programs which meet each bank's specific needs and to ensure high quality administrative and compliance services.

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\*These Advisors represent independently operated firms and are registered with M Holdings Securities Inc. a registered Broker/Dealer, Member FINRA/SIPC. M Benefit Solutions and M Holdings Securities, Inc. are affiliated companies.

## ABOUT M BENEFIT SOLUTIONS - BANK STRATEGIES

M Benefit Solutions - Bank Strategies, based in Portland, Oregon, is a division of M Benefit Solutions, a Subsidiary of M Financial Group. Please go to <https://mfin.com/disclosure> for further details regarding this relationship. M Benefit Solutions is a recognized leader in the community bank executive and director benefits and BOLI marketplace. Through a network of firms located in key markets across the country, M Benefit Solutions - Bank Strategies helps banks attract, retain, and reward key executives and directors through the design, implementation, and administration of benefit programs that aim to maximize the use of a bank's financial resources. M Benefit Solutions - Bank Strategies is the Independent Community Bankers of America's (ICBA) Preferred Service Provider for executive and director benefits and BOLI. For more information, please visit [boli.mben.com](http://boli.mben.com).

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