

**REQUEST FOR PROPOSAL**

Executive AdvantageSM

Loan Regime Split Dollar

Use this checklist when gathering information from your client to make the case design and underwriting process for a loan regime split dollar life insurance case faster and more efficient. Complete a separate document for each person entering into a split dollar arrangement.

Agent contact

Agent/requesters name: _____

Phone: _____ Email: _____

Agent name (and designations) for illustration: _____

Agent address: _____

Agent code: _____ Client appointment date and time: _____

Agreement details

Employer name: _____ Employer tax bracket: _____

Business structure:
 C-Corp S-Corp Sole Proprietor Partnership Professional Corporation
 LLC taxed as:
 C-Corp S-Corp Sole Proprietorship Partnership
If non-profit type:
 Government Private

Executive name: _____ Executive tax bracket: _____

Executive date of birth: _____

Does the Executive own the company? Yes No If yes, % of ownership: _____
 Executive rate class assumption: Super Preferred Non-Tobacco Preferred Non-Tobacco Standard Non-Tobacco
 Preferred Tobacco Standard Tobacco Table Rating: _____
State of issue: _____ Gender: Male FemaleLoans paid by: Company entirely
 Specified by company of \$ _____ with balance of \$ _____ by executive.

Premium/loan amount _____

Loan payment years _____

Payment of interest:

- Out of pocket
- Zero out of pocket
- Bonus
- Double bonus
- Accrued

Retirement age _____ Illustrate retirement income from year _____ to _____.

Loan repayment year _____

Death benefit amount: Specified _____ Solve Minimum

Special instructions (Death benefit or retirement income strategy?)

Next steps

When you're ready to proceed with the application, include the following:

1. A Collateral Assignment form (L-2037) and a Certification of Business Signing Authority form (27096)
2. A cover letter to aid in the underwriting process
3. Optional – include this checklist

Submit to individual Advanced Markets team member or to the Advanced Markets team inbox at advcasedesign@sfgmembers.com

Under a loan split-dollar agreement, the employee enters into an agreement with the employer. North American Company for Life and Health Insurance® is not a party to this agreement and North American's only obligation is to administer the policy it issues (consistent with the policy's terms and conditions).

The parties to the loan regime split dollar arrangement should seek their own independent legal and tax advice as to whether and how to enter into a loan regime split dollar arrangement based on the employer's and employee's unique circumstances.

Under a split dollar agreement classified as a welfare benefit plan, the employee must belong to a select group of management, which includes quantitative and qualitative elements. To meet the quantitative standard, plans should be limited to the top 15% of the workforce. To meet the qualitative test, a significant disparity should exist between the average compensation of the top-hat group and the average compensation of all other employees.

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