



## Possible solutions for the nonprofit medical institution:

- **Split-dollar arrangement** is an effective strategy for attracting and retaining valuable key executives. The arrangement is reimbursed for premiums loaned with interest at the times and on the terms that are specified in the underlying split-dollar agreement.
- **Personal life insurance funded by the institution** is personal life insurance funded by the institution. An arrangement is made where the institution pays bonus compensation to selected employees in the form of premium payments on the employee's personally owned life insurance policies.
- **Bank Owned Life Insurance (BOLI)** is a cost efficient way for medical institutions to offset the costs related to employee benefits.

## Possible solutions for the for-profit medical institution:

- **Split-dollar arrangement** is an effective strategy for attracting and retaining valuable key executives. The arrangement is reimbursed for premiums loaned with interest at the times and on the terms that are specified in the underlying split-dollar agreement.
- **Personal life insurance funded by the institution** is personal life insurance funded by the institution. An arrangement is made where the institution pays bonus compensation to selected employees in the form of premium payments on the employee's personally owned life insurance policies.
- **Bank Owned Life Insurance (BOLI)** is a cost efficient way for medical institutions to offset the costs related to employee benefits.
- **Corporate Owned Life Insurance (COLI)** is a life insurance policy that the medical institution takes out on its employees. This can help offset the high costs relating to insurance and employee benefits.

## Contact us for a complimentary review.

- Loan regime does not apply to non-equity collateral assignment split-dollar arrangements that involve employment or a gift.
- If a split-dollar loan doesn't provide for sufficient interest, the loan is treated as a below-market loan and tax regulations provide for the calculation of forgone interest.
- Income taxes may be due in years when no funds are available from the policy.

For more information, contact:

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