

COLI / TOLI ...

A SMARTER STRATEGY FOR FINANCING THE EXPENSE OF EMPLOYEE BENEFITS.

Corporate Owned Life Insurance (COLI) or Trust Owned Life Insurance (TOLI) can reduce taxes on invested assets, increasing returns and shareholder value:

- **Short term:** COLI/TOLI programs typically target hedging P&L volatility and track benefit plan balance sheet liabilities.
- **Long term:** COLI/TOLI can increase benefit security and recoup overall plan costs, delivering greater value for plan sponsors.

COLI /TOLI receives favorable accounting and P&L treatment, relative to taxable investments.

Income tax advantages make COLI/TOLI highly attractive to most companies, by delivering:

- Tax-deferred cash value growth.
- Tax-free fund reallocations within the policy.
- Tax-free receipt of death proceeds.
- Unique cash flow flexibility, created by the opportunity to access COLI/TOLI cash values via tax-free loans and withdrawals.

COLI CORPORATE-OWNED LIFE INSURANCE | TOLI TRUST-OWNED LIFE INSURANCE

COMPARISON: COLI /TOLI vs. Taxable Investment

	TAXABLE INVESTMENTS	COLI
Large selection of available funds	YES	YES
Easy to implement	YES	MODERATE
Quality investment choices paired with advisors who can provide valuable diversification to existing 401(k) funds	YES	YES
Taxation on investment, dividends, and interest	YES	NO
Taxable event when changing investment allocation	YES	NO
Tax due on any unrealized gains upon asset withdrawal	YES	NO
Tax-deferred investment income	NO	YES
Annual expenses	MINIMAL	Initially higher, then tax advantages outweigh insurance costs.
Tax-free proceeds	NO	YES
Cash accumulation tracks deferred compensation balances	YES	YES
Eliminates taxes on investment income	NO	YES
Tax-free access to cash to make benefit payments	NO	YES
Can be accretive to corporate earnings	NO	YES



Find out how a COLI/TOLI financed employee benefits plan could change your company's financial future.

Contact Fulcrum Partners. www.fulcrumpartnersllc.com/team/

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