

Vendor Selection Checklist For Executive Benefits

Your Executive Benefits Program is critical to your credit union's leadership continuity and succession planning. A strong Executive Benefits Program helps ensure your retention strategy is effective, efficient, and financially sound. When evaluating a vendor to develop and manage your Executive Benefits Program, there are four key areas to consider in your required due diligence:

COMPANY BACKGROUND

- ☐ Are the consultant and support teams full time? Are they in-house or outsourced (W-2 vs 1099)?
- ☐ How long has the vendor worked with credit unions?
- ☐ Does the vendor have several years of audited financial statements?
- ☐ Does the vendor have a succession plan of their own to help ensure long-term servicing of your program?
- ☐ How many active executive benefit clients and participants does the vendor service? How many plans by type?
- ☐ Does the vendor work with a single insurance carrier, a select group of carriers, or all carriers? How does this affect the products that are recommended to you?

DESIGN

- ☐ Does the vendor have the consulting resources to provide the institution with all necessary considerations and evaluations to make a decision that will affect the performance of the institution?
- ☐ Can they accurately model the financial impact of how the purchase of institutional products to informally fund benefit expenses will affect the institution's financial statements?
- ☐ Are they able to dedicate the time and talent to provide a resource to the institution?

INSTALLATION

- ☐ Will an in-house underwriting team coordinate tasks and paperwork with your participants? Or will your participants manage the process themselves?
- ☐ Does the vendor have qualified legal and accounting resources to help ensure that all regulatory, accounting, and IRS guidelines are fully met?
- ☐ Does the vendor have sufficient staff to support the institution during the complex implementation phase of the plan?

ONGOING SERVICE

- ☐ What level of encrypted systems does the vendor use?
- ☐ How does the online account platform serve the different needs of the credit union and the participants? What level of encryption is used?
- ☐ What summary reports are provided by the vendor?
- ☐ Does the vendor have the financial strength to provide the administrative support services for the long term? What is their primary source of income?
- ☐ Does the vendor directly provide administrative support or "farm it out" to a third party?
- ☐ Does the vendor have sufficiently trained support staff to provide the institution with all regulatory and accounting support into the future?



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