

## Triscend<sup>NP</sup> Alexandria Staron Video Transcript

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Hello, my name is Alex Staron. I'm the Chief Operating Officer at TriscendNP.

We specialize in nonprofit executive benefits. We serve organizations like credit unions, not-for-profit healthcare systems, universities, faith-based organizations and large associations. And we specialize in nonprofit executive benefits, things like split dollar executive bonus, disability, credit union owned life insurance or corporate owned life insurance, 450 7f deferred compensation and those types of things. We've been around for over 20 years specializing just the non-for-profit sector.

Triscend is helping credit unions by bringing expertise from our other nonprofit markets that we serve. First of all, we believe that there's a lot of opportunity for nonprofits to learn from one another, and we believe that we bring that perspective to the work that we do, and that that's a little bit different.

We're also very proud to have the first executive benefits CUSO, where we have partnered with nine leading credit unions across the country to bring the advanced insurance market to credit unions and their business members through our efforts in the CUSO.

Above anything else, a credit union should expect transparency and expertise. The vendor in the firm should be able to demonstrate that they can design and administer all of the executive benefit plan types that are available to a nonprofit, as well as demonstrate their expertise in, you know, the number of decades they've been doing this work in their post administration capabilities, all those things are really important when a credit union's evaluating a potential partner.

Some of the red flags that we encounter, and we recommend our credit unions look out for when selecting a executive benefits provider, one is just lack of experience. It's really important that your vendor has experience, not only with credit unions, but with other nonprofits, can be very helpful, and their ability to service these plans post implementation.

So what does that look like? How are they assisting with compliance and reporting? How are they supporting executive , until retirement and maybe even beyond into their

retirement years with the plan benefits, especially important is that you understand what their capabilities are post closing. We also caution our credit unions to look out for vendors that seem to only come with one recommendation. It's really important that credit unions go through an educational process and informed decision-making process on all the options that are available so that they end up with a good, informed decision and one they can defend. We think that's very important as well, and to be wary of one size fits all recommendations. We definitely encourage our credit unions to watch out for personal guarantees. Those can cause all kinds of problems later, for the executive. And unfortunately, we find where sometimes those are in place and the executive doesn't even know that they're there, and so we definitely encourage our credit unions to look out for that.

And then lastly, we do think it's very important for our credit unions to understand the amount of risk that the assets are exposed to. So depending on the plan type, there are appropriate levels and inappropriate levels of risk that the assets can be exposed to, as far as market volatility and things of that nature. You know, we had three consecutive years of down market back in 2001, 2002, 2003 if that were to happen again, how would that impact the plan and the long term performance of the plan and so being informed on the levels of risk that the assets are associated with or exposed to is very important as well.

The number one thing that an individual should be thinking about when you're going through this process is stress testing. It's so important that the executive understands how this plan or asset may perform in a number of different scenarios from a market standpoint. For example, we call it the black swan event here, where we had three consecutive years of down-market returns. This is back in 2001 and 2002, 2003 but what if that happens again? And what if it happens right before you start accessing your benefits, and how does that impact your projections, your ability to recover from an event like that? And how exposed are the plan assets in those types of scenarios?

And so stress testing is so important. I already mentioned, look out for those personal guarantees. We really feel like those can be a landmine if you're just not aware that it's there and that that obligation exists.

And other than that, I would say, what is post-retirement going to look like? What are the services that your firm can provide to support me and my family and ensure that we're planning properly for what this plan is intended to provide and what reality actually is.

And so understanding what that process would look like is very important for the executive as well.

It really all starts with the conversation is where you begin with, with this type of process, it's really important that credit unions are considering the goals of putting in a plan like this, their retention goals, it's important that there's a focus on process and quality of process, making sure that at the end of this journey, that a good decision is made, an informed decision is made. We also encourage our credit unions to utilize our free RFP tool. It's just a template that we make available for credit unions to utilize when they're trying to compare different executive benefit vendors. What are the right questions to ask and what are the key points that are important for comparison there?

And then lastly, we always encourage our credit unions to have their existing plans evaluated and best practice is to have it evaluated by someone other than who put it in, just to get another perspective on how that plan was designed and some of the legal interpretations of the governing plan documents, and just make sure there aren't any surprises. Our goal is for these plans so not to be any surprises for anybody down the road, especially post-retirement, when you know the executive and their family are counting on on these benefits. And so we want everyone to be informed, and so we definitely encourage existing plans to be looked at as well.