



Community BancService Corporation, Inc.®

One Mission. Community Banks.®

CBSC Partners with BOLI and Executive Benefits Advisor IZALE Financial Group

CBAI Member Banks Gain Access to Complimentary Executive & Director Plan Reviews



Springfield, IL (March 16, 2021) – Community BancService Corporation, Inc. (CBSC), the business services subsidiary of the Community Bankers Association of Illinois (CBAI), the only state bank trade association dedicated exclusively to representing the interests of Illinois community banks, announced it has entered into a strategic partnership with IZALE Financial Group, a premier provider of executive and director benefits plans, as its exclusive Preferred Partner for bank-owned life insurance (BOLI) and executive and director non-qualified benefit plans.

Since the beginning of the COVID-19 pandemic more than a year ago, banks have experienced a tremendous surge in deposits. At the same time, interest rates have dipped to historic lows. Excess liquidity and low interest rates are squeezing already tight net interest rate margins. According to the FDIC, community banks receive approximately 80% of their income from margin sources.

"We believe now is an excellent time for bankers to consider adding more BOLI to their balance sheet," said Doug Parrott, CBSC Vice Chairman, and president & CEO of State Bank of Toulon. "The favorable tax-equivalent yields available through BOLI can be used to offset the ever-increasing employee benefit costs." He cautioned banks that fail to properly implement and monitor a BOLI policy face serious risks of regulatory scrutiny and incurring a tax liability that can impair bank earnings and capital and disappoint retiring bank executives."

That's where the professional team at IZALE can help. Regulators require banks to conduct an annual review of their BOLI plans. Unfortunately, regulators do not require an extensive annual review of associated executive and director benefits. *"We have discovered that many plans are not structured or administered to take advantage of tax laws," said Scott Richardson, president and founder of IZALE. "In most cases, we were able to assist banks to restructure their plans, or at least gain more understanding and control, by positioning them to avoid future tax surprises and disappointments."*

CBSC President Mike Kelley said, *"Our due-diligence confirmed that during the past several years, many bankers had engaged IZALE to conduct BOLI and benefit plan reviews. Those reviews revealed design and administration flaws that had been overlooked." He concluded, "IZALE proved to CBSC leadership during our own plan review that they are among the best executive benefit and BOLI plan advisors in the country."*

CBAI member banks are entitled to a free review. For more information, please call or email [Phil Aderton](#) at 630-561-9071 (direct).

