

# LIFE INSURANCE ISN'T FOR THE PEOPLE WHO DIE. IT'S FOR THE PEOPLE WHO LIVE.

In 1995 Kelly's dad, Bill Burrell, was diagnosed with terminal cancer. Although Bill understood he was near the end of his life, he wanted the dreams he'd built for his business to live on. Life insurance made that dream a reality. It ensured the smooth transition of his engine distribution firm to his daughter and allowed her to pay off bank loans, retain valued employees and continue to grow the company. Today, the future looks bright for Kelly and for the business. And that's exactly what her dad wanted.

So, talk to an insurance agent or other financial advisor who can help you create a plan that provides for the ones you love and the things you care about. *Because, without insurance, a financial plan is just a savings and investment program that dies with you.*



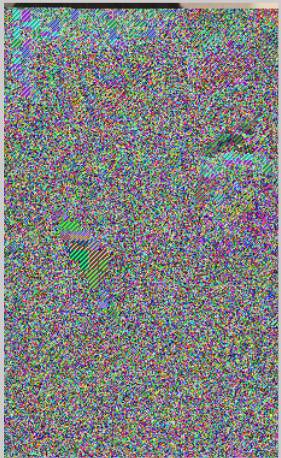
1 888-LIFE-777 [www.life-line.org](http://www.life-line.org)

Kelly Yunker

# WHAT HAPPENS TO YOUR BUSINESS WHEN YOU DIE?

**A Tough Question, But Your Business Itself Can Provide the Answer.** As a small business owner or

partner, you may wonder what would happen to your business should anything happen to you. How would your family cope with the loss of income? What about your employees and their families? You may feel you have the answers, but before you take that leap of faith, take a look at these common myths and consider a reality check.



## IF I DIE, MY SPOUSE CAN RUN THE BUSINESS

**REALITY CHECK:** In many cases, the spouse neither wants to nor is capable of running the company, regardless of what is discussed while both parties are still alive. Small businesses are often dependent on the marketing, technical or managerial skill of the owner. Take that away and the business may fail.

## A COMPETITOR WILL BUY THE BUSINESS

**REALITY CHECK:** Possibly, but this may not happen to the advantage of the surviving family. The competition may be either looking to take customers away from the business, purchase equipment and inventory cheap (often for as little as 20 cents or less on the dollar) or buy the business at a low price. Sometimes, business owners think they can prearrange who will one day buy their business. But competitors are typically reluctant to share confidential and proprietary information with one another - a necessary precondition to ascertaining a fair price for the business.

## MY DEATH OR MY PARTNER'S DEATH WILL NOT FINANCIALLY IMPACT THE BUSINESS

**REALITY CHECK:** Each owner of a small business usually makes a very specific and important contribution to the business or has a special skill that is extremely hard to replace. When one owner dies, the surviving owner may have to scramble to keep the business afloat, find a suitable replacement and keep funds from being wasted in the process. Other issues may arise should surviving family members choose to participate in running the business or seek compensation for their share.

## A KEY EMPLOYEE CAN RUN THE BUSINESS

**REALITY CHECK:** Maybe so, but if the employee is truly running the business, he or she may require a salary commensurate with the added demands of the job. And what happens to the income for the surviving family, not to mention the salary needed to replace the employee's previous position? The funds needed to recoup from such a loss may be more than the business can bear.

## HOW INSURANCE CAN HELP

Now that you've considered these various scenarios, why not consider the solutions available to help ensure that your business, your family and your employees are protected:

- **Sole proprietors** may purchase a policy that covers them for the value of the company. Should the worst happen, the surviving family gets proceeds equal to the value of the business, whether or not they can sell it.
- When there is more than one owner, a "buy-sell" agreement funded with life insurance helps ensure that the remaining business owners can buy the company interests of a deceased owner at a previously agreed upon price.
- In case of the death of a key employee, "key person insurance," payable to the company, can provide the owners with the financial flexibility to either hire a replacement or work out an alternative arrangement.

*To learn more about these and other options, and about the crucial role that life insurance can play in the future success of your business, meet with your insurance agent or other financial advisor.*



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