

# BUY-SELL AGREEMENT REVIEW BUSINESS NEEDS ANALYSIS



## UTILITIES TO EVALUATE YOUR CLIENTS' BUSINESS NEEDS AND EXISTING BUY-SELL AGREEMENT



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INNOVATIVE INSURANCE STRATEGIES FOR THE MODERN WORLD

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Your clients' businesses mean everything to them and as the owners of growing businesses, they face tough challenges every day. Understanding the importance of developing a plan for continued financial security is absolutely vital. As a trusted advisor, you are in a unique position to assist your clients in planning for a secure financial future.

Buy-Sell Agreements can play an integral role in protecting your clients' businesses and families, but like any investment, they require periodic review and evaluation to provide maximum effectiveness. **PLUS Financial Network** can help you provide this valuable counsel to your clients as well as the opportunity to potentially earn additional commissions.

To begin the process, work with your client to complete the **Business Needs Analysis, Buy-Sell Agreement Review** and **In-Force Insurance Authorization** paperwork contained in this kit including additional applicable documentation.

## These items include:

- The current Buy-Sell Agreement
- Financials—three (3) years of balance sheets and profit/loss statements (if not available, you can substitute tax returns)
- Insurance policy documentation—ALL life and/or disability insurance policies associated with the Buy-Sell Agreement (or provide the information within this kit). *Please include copies of any Split-Dollar or Deferred Compensation Agreements also associated with the policies*
- Other materials—additional documents such as dealership or franchisor sign-off requirements

## Please Note:

*It is not necessary to provide wills, trusts or other estate planning documentation unless they directly pertain to the Buy-Sell Agreement.*

Once you have collected the required documentation, submit all paperwork to **PLUS Financial Network by email to [plusmarketing@pfnins.com](mailto:plusmarketing@pfnins.com), by fax at 248.603.3595, or by mail at 2155 Butterfield Dr., Suite 102 South, Troy, MI 48084.**

We will perform an independent analysis of your clients' needs, their goals and their current Buy-Sell Agreement. We will also provide you a detailed report of our findings, including recommendations to ensure the clients' continued security and success.



Visit our website at [www.pfnins.com](http://www.pfnins.com) for additional sales tools.



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800.887.7587 • fax 248.603.3595 • 2155 Butterfield, Suite 102 South, Troy, MI 48084

# BUY-SELL AGREEMENT REVIEW BUSINESS NEEDS ANALYSIS

## PLEASE SUPPLY THE FOLLOWING INFORMATION:

NAME OF BUSINESS: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_ CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

NATURE OF BUSINESS: \_\_\_\_\_

DATE OF INCORPORATION: \_\_\_/\_\_\_/\_\_\_ STATE OF INCORPORATION: \_\_\_\_\_

ENTITY TYPE:

C CORPORATION

PARTNERSHIP

SOLE PROPRIETORSHIP

S CORPORATION

LLC

TAX-EXEMPT/NON-PROFIT

FOR C CORPORATION, MARGINAL FEDERAL AND STATE INCOME TAX BRACKET: \_\_\_\_\_%

NAME OF ACCOUNTANT: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

NAME OF ATTORNEY: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

NAMES/TELEPHONE NUMBERS OF OTHER KEY ADVISORS (BANKER, ETC.): \_\_\_\_\_

## OWNERS/SHAREHOLDERS:

1.) NAME: \_\_\_\_\_ DATE OF BIRTH: \_\_\_/\_\_\_/\_\_\_ SEX:  MALE  FEMALE

\_\_\_\_\_ % OF OWNERSHIP TAX BRACKET: \_\_\_\_\_% SMOKER:  YES  NO

RELATIONSHIP TO OTHERS: \_\_\_\_\_

2.) NAME: \_\_\_\_\_ DATE OF BIRTH: \_\_\_/\_\_\_/\_\_\_ SEX:  MALE  FEMALE

\_\_\_\_\_ % OF OWNERSHIP TAX BRACKET: \_\_\_\_\_% SMOKER:  YES  NO

RELATIONSHIP TO OTHERS: \_\_\_\_\_

3.) NAME: \_\_\_\_\_ DATE OF BIRTH: \_\_\_/\_\_\_/\_\_\_ SEX:  MALE  FEMALE

\_\_\_\_\_ % OF OWNERSHIP TAX BRACKET: \_\_\_\_\_% SMOKER:  YES  NO

RELATIONSHIP TO OTHERS: \_\_\_\_\_

4.) NAME: \_\_\_\_\_ DATE OF BIRTH: \_\_\_/\_\_\_/\_\_\_ SEX:  MALE  FEMALE

\_\_\_\_\_ % OF OWNERSHIP TAX BRACKET: \_\_\_\_\_% SMOKER:  YES  NO

RELATIONSHIP TO OTHERS: \_\_\_\_\_

5.) NAME: \_\_\_\_\_ DATE OF BIRTH: \_\_\_/\_\_\_/\_\_\_ SEX:  MALE  FEMALE

\_\_\_\_\_ % OF OWNERSHIP TAX BRACKET: \_\_\_\_\_% SMOKER:  YES  NO

RELATIONSHIP TO OTHERS: \_\_\_\_\_

CONTINUED



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## VALUATION/EARNINGS:

WHAT IS THE BOOK VALUE OF THE BUSINESS? \_\_\_\_\_

AVERAGE EARNINGS OVER THE LAST FIVE (5) YEARS: \_\_\_\_\_

ANNUAL BUSINESS GROWTH RATE: \_\_\_\_\_ %

## SUCCESSION/STAFF:

DOES YOUR WILL CONTAIN ANY PROVISION(S) REGARDING THE DISPOSITION OR RETENTION OF THE BUSINESS INTEREST?  YES  NO DETAILS: \_\_\_\_\_

DOES YOUR WILL DIRECT OR AUTHORIZE THE EXECUTOR TO RETAIN OR OPERATE THE BUSINESS?  
 YES  NO

DO ANY OF THE OWNERS HAVE PERSONAL LIABILITY TO BUSINESS DEBTS?  YES  NO

IF YES, ARE THESE DEBTS COVERED BY LIFE INSURANCE?  YES  NO

ARE THERE KEY EMPLOYEES WHOSE DEATH OR DISABILITY WOULD JEOPARDIZE PROFITS?  YES  NO

WHAT HAS BEEN DONE TO PROTECT THE BUSINESS IN THE EVENT OF DEATH OR DISABILITY OF ONE OF THESE KEY EMPLOYEES? \_\_\_\_\_

IF KEY EMPLOYEE(S) ARE INSURED, PLEASE LIST EMPLOYEES: \_\_\_\_\_

IS THE AMOUNT OF INSURANCE ADEQUATE TODAY?  YES  NO

IF KEY EMPLOYEE(S) ARE NOT INSURED, WHO SHOULD BE? \_\_\_\_\_

WHAT ARE THE NAMES AND AGES OF ANY RELATIVES OR CHILDREN WHO MAY ENTER THE BUSINESS?  
\_\_\_\_\_

IN THE EVENT FAMILY MEMBERS ARE TOO YOUNG OR LACK EXPERIENCE, WHO WOULD RUN THE BUSINESS?  
\_\_\_\_\_

WHAT HAVE YOU DONE TO GUARANTEE THIS PERSON(S) WILL STAY? \_\_\_\_\_

CONTINUED



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## BENEFITS:

WHAT EMPLOYEE BENEFIT PLAN(S) DO YOU HAVE AND HOW ARE THEY FUNDED?

PENSION PLAN: \_\_\_\_\_

PROFIT-SHARING PLAN: \_\_\_\_\_

KEOGH (HR 10): \_\_\_\_\_

SEP: \_\_\_\_\_

GROUP HEALTH: \_\_\_\_\_

GROUP LIFE: \_\_\_\_\_

GROUP DISABILITY: \_\_\_\_\_

OTHER (DESCRIBE): \_\_\_\_\_

ARE THERE ANY SPECIAL BENEFIT PLANS JUST FOR OWNERS AND KEY EMPLOYEES?  YES  NO

IF YES, PLEASE DESCRIBE: \_\_\_\_\_

DO YOU PLAN TO ADD ANYONE TO THE PLANS?  YES  NO

IF NO, HAVE YOU CONSIDERED ANY?  YES  NO

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## AGREEMENTS:

DO YOU CURRENTLY HAVE A BUY-SELL AGREEMENT IN PLACE?  YES  NO

IF SO, WHAT TYPE OF AGREEMENT?

CROSS-SELL  STOCK REDEMPTION  WAIT & SEE

COMBINATION WHEN WAS IT LAST REVIEWED? \_\_\_\_\_

DOES THE BUY-SELL AGREEMENT COVER THE FOLLOWING TRANSITIONAL EVENTS?

RETIREMENT:  YES  NO

DEATH:  YES  NO

DISABILITY:  YES  NO

DIVORCE:  YES  NO

TERMINATION:  YES  NO

BANKRUPTCY:  YES  NO

CRIMINAL CONVICTION:  YES  NO

OTHER: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CONTINUED



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# BUY-SELL AGREEMENT REVIEW BUSINESS NEEDS ANALYSIS

HOW MUCH WOULD YOU RECEIVE UNDER THE TERMS OF THE AGREEMENT? \_\_\_\_\_

IF YOU HAD TO SELL THEIR INTEREST OR BUY ANOTHER OWNER'S INTEREST TODAY, HOW MUCH MONEY WOULD BE NEEDED? \_\_\_\_\_

HOW MUCH MONEY IS CURRENTLY SET ASIDE FOR THIS PURPOSE? \_\_\_\_\_

DOES THE AGREEMENT PREVENT YOU FROM PASSING ON THEIR INTEREST TO A SPOUSE, CHILDREN OR GRANDCHILDREN? \_\_\_\_\_

WILL THE IMPLEMENTATION OF THE AGREEMENT RESULT IN A CHANGE OF VOTING CONTROL?

YES  NO

IF AN OWNER'S INTEREST IS PURCHASED, DO YOU GET THE COST-BASIS INCREASE?  YES  NO

IS THE AGREEMENT DESIGNED TO FAVOR THE REMAINING OWNER(S) OR THE DEPARTING OWNER(S)?  
\_\_\_\_\_

ARE THERE ANY OTHER AGREEMENTS CONCERNING THE BUSINESS INTEREST IN EXISTENCE?  YES  NO

IF YES, DETAILS: \_\_\_\_\_

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## PLEASE RANK THE FOLLOWING IN ORDER OF IMPORTANCE FROM 1 (VERY LOW) TO 5 (VERY HIGH)

\_\_\_ TRANSFER & BUSINESS SUCCESSION (THE NEED FOR AN ORDERLY TRANSFER OF THIS BUSINESS AT RETIREMENT, DEATH OR A DISABILITY)

\_\_\_ PERSONAL EXECUTIVE BENEFITS (INTERESTED IN USING BUSINESS DOLLARS TO FINANCE SOME OF YOUR FINANCIAL/INSURANCE NEEDS)

\_\_\_ EMPLOYEE BENEFITS (INTERESTED IN USING BUSINESS DOLLARS TO PROVIDE BENEFITS TO SELECTED EMPLOYEES AS A MEANS OF RECRUITING, RETAINING AND REWARDING)

\_\_\_ TAX PLANNING (CONCERNED THAT YOUR BUSINESS RECEIVES ALL THE TAX RELIEF TO WHICH IT IS LEGALLY ENTITLED)

\_\_\_ GROWTH (BUSINESS EXPANSION NEEDS)

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## PLEASE COMPLETE THE IN-FORCE INSURANCE AUTHORIZATION FORM ON THE FOLLOWING PAGE



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# IN-FORCE INSURANCE AUTHORIZATION

CARRIER NAME AND ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

FOR INSURED (PRINT NAME): \_\_\_\_\_

POLICY #1: \_\_\_\_\_ PRODUCT: \_\_\_\_\_

POLICY #2: \_\_\_\_\_ PRODUCT: \_\_\_\_\_

POLICY #3: \_\_\_\_\_ PRODUCT: \_\_\_\_\_

*To Whom It May Concern:*

*I hereby authorize you to release any information on the above captioned policy with your company to \_\_\_\_\_. This includes, but is not exclusive to, any cash value information as well as in-force ledgers. A photocopy of this authorization shall be as valid as the original.*

*Thank you for your attention to this request.*

*Sincerely,*

Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Owner's Name (printed): \_\_\_\_\_

Owner's SSN: \_\_\_\_\_

Capacity (i.e. Trustee, Corporate Office, Power of Attorney): \_\_\_\_\_

Agent's Name: \_\_\_\_\_

TYPE OF IN-FORCE ILLUSTRATION(S) REQUESTED:

FULL PAY - PAY PREMIUM ALL YEARS

LIMITED PAY - SCHEDULED PREMIUM PAYMENTS STOP WHEN VALUE ADEQUATE TO ENDOW POLICY

SOLVE FOR LEVEL PREMIUM TO ENDOW POLICY

SOLVE FOR LEVEL PREMIUM TO GUARANTEE POLICY FOR LIFE

ADDITIONAL SCENARIO: \_\_\_\_\_

PLEASE BE SURE TO NOTE THE PRODUCT TYPE OF EACH POLICY THAT IS TO BE REVIEWED OR PROVIDE A COPY OF THE LAST ANNUAL STATEMENT IN ADDITION TO THE SIGNED AUTHORIZATION.



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