Help protect the future of your business.
It’s your business. 
Keep it going.

You’ve worked hard to make your business what it is today. Its success is rooted in your vision and commitment to make it happen.

That’s why it’s important to have a plan in place in case you, a partner or key employee are no longer around to keep your business going.

If you’re gone...
Consider what would happen to your business if you should die.
■ How would the succession of the business take place?
■ Would it immediately go to your heirs?
■ Are they interested and qualified to run the business?
■ Or would they be happier with the cash?

If your partner is gone...
Consider what would happen to your business if your partner should die.
■ Would you rather run the business on your own?
■ Would you prefer not to have interference from a partner’s family member or a new owner?

If a key employee is gone...
Your business might also depend on a key employee — someone with a special set of skills and knowledge that drives the success of your business.
■ If this person should die, what would happen to your business?
■ Could you continue offering the same quality product or service you currently provide customers?
■ Would you lose time and money trying to find someone who possesses the same talent?

Life insurance can help.
Whether your business is a sole proprietorship, corporation, partnership or limited liability company, life insurance can help make sure it continues to thrive in the future.
Who do you want your next business partner to be?

Business goes on, even when an owner dies.

When a business owner dies, the business itself may face several problems that, if not handled properly, could lead to personnel conflicts, limited growth and financial instability. Some of those problems might include:

- The business interest passing to the deceased owner’s heirs
- The heirs selling the business interest to an outsider, possibly even a competitor
- The heirs attempting to take an active role in management without the skills and knowledge to do so
- The new co-owner not sharing current management’s philosophy or long-term strategies

How to keep the business in the right hands.

No one can predict all of the financial and managerial conflicts that might occur when a business owner dies. However, by planning a secure transfer of your business interest, you can avoid or control most problems.

A common tool to make a planned transfer is a Buy/Sell Agreement. A properly drafted agreement can help:

- Obligate the owner’s heirs to sell the business interest to the surviving owner(s) of the business
- Establish a method to determine the value of the deceased owner’s business interest
- Create a smooth transition of management and control
- Prevent an outsider from acquiring the business interest
- Allow the business to continue without a forced sale of assets
- Instill security in the business’s creditors that the business will survive an owner’s death
- Help to establish an estate value for the deceased owner’s business interest
- Free the deceased owner’s family from business worries
- Provide liquidity to the deceased owner’s estate
Fund a Buy/Sell Agreement with life insurance.

In order for a Buy/Sell Agreement to succeed, the business or surviving owner must have the money to fund it.

Here’s where life insurance can help. A life insurance policy can guarantee that the necessary dollars will be available exactly when they’re needed.

Funding a Buy/Sell Agreement with life insurance has several advantages:

- Life insurance can be the most cost-effective way to fund a Buy/Sell Agreement
- The proceeds generally will not be subject to income tax
- The cash value can help fund the buyout of an owner due to retirement or disability
- Life insurance can strengthen the credit position of the business

One example of how a Buy/Sell Agreement funded by life insurance can work.

Fred Smith partnered 50/50 with his friend Robert to build a landscape nursery business that is valued at $1,000,000.

Fred wants to leave a good inheritance for his son Barry. But he knows Barry wants to pursue another career. If he left the business to Barry, Barry would likely sell it to an outside party. This could result in:

- Time and money wasted searching for a buyer
- Settling for a price much lower than what Fred’s share of the business is worth
- Leaving Robert to be partners with a stranger — someone who perhaps didn’t share his and Fred’s vision for their nursery

To solve the problem, Fred and Robert used life insurance as part of a Buy/Sell Agreement. Each bought a $500,000 life insurance policy payable upon the death of the other. So if Fred dies first, Robert would use the $500,000 tax-free death benefit he receives to buy Fred’s share of the business. He would then become sole owner of the nursery. If Robert dies first, Fred would use the $500,000 death benefit to buy the business from Robert’s estate.

Both Fred and Robert can rest more easily knowing if either of them die, the other will be able to take over the business without interference from an outside party. At the same time, the efficient and fair market sale of the business provides a good inheritance for their heirs.
Does your business pivot around one or more key people?

Most business owners know they need to protect themselves against losses to their business property. They know equipment and supplies can be replaced. But a key employee is difficult, if not impossible, to replace.

Without the skill, knowledge and expertise of a key employee, your business could suffer serious financial loss. His or her death might:

- Create a loss of a specialized skill
- Force other key employees to spend valuable time absorbing the deceased’s duties
- Cause an interruption in the everyday operations of your business
- Jeopardize your business’s credit and financial security
- Reduce your sales and business earnings
- Stop or delay the implementation of a special project, such as an expansion program or a sales campaign
- Force you to spend valuable time and money searching for a suitable replacement

Protect your business from the loss of a key employee.¹

Life insurance can’t bring a key employee back. But it can make dealing with the loss much easier for everyone.

By taking out a life insurance policy on a key employee, your business is assured that it will have money to help:

- Offset the losses you may incur from reduced sales and company earnings
- Hire a temporary substitute to handle the deceased employee’s duties
- Compensate for losses due to financial instability and damaged company credit
- Locate and train a suitable replacement
- Allow the business to continue without a forced sale of assets
- Instill security in the business’s creditors that the business will survive an owner’s death
- Free the deceased owner’s family from business worries

¹ Employer-owned life insurance is subject to additional requirement including notice and consent notification. Consult your tax advisor for additional information.
Why choose Allstate to fund your business insurance needs.

Your Allstate agent is dedicated to providing you with a high quality of service and is supported by a team of dedicated professionals who can tailor a solution for your business needs.

We offer a wide array of life insurance products that can protect your business from the death of an owner or a key employee. We can work with you to help assure that your business remains financially secure and that a smooth transition of control and ownership takes place.

Allstate life insurance products.

<table>
<thead>
<tr>
<th>A term policy:</th>
<th>A universal life policy:</th>
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<tbody>
<tr>
<td>Is best suited when the need for protection is for a limited time</td>
<td>Is best suited if the need for protection is for an indefinite period of time or for the lifetime of the owner</td>
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<tr>
<td>Is generally less expensive initially than a permanent insurance policy for a similar amount of coverage</td>
<td>Accumulates cash value that may help fund a lifetime buyout and could be a corporate asset¹</td>
</tr>
<tr>
<td>Allows your business to initially pay a lower premium while investing elsewhere to build a larger capital base</td>
<td>Allows you to choose a level protection amount or a protection amount that increases as your cash value grows¹</td>
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<tr>
<td>Can offer a level coverage amount depending on your financial needs</td>
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Take the next step to secure the ongoing success of your business.

Want to find out how a Buy/Sell Agreement or a Key Employee life insurance policy can work for your business? Then ask your Allstate agent or financial professional to prepare a customized proposal for your business. To get started, complete the Business Continuation and Key Person Questionnaire (ALR1069) with your Allstate agent or financial professional.
You have more than a policy. You have Allstate.

Caring for customers and communities has always been a top priority for Allstate. Whether you’re looking for answers or advice you can trust, your Allstate agency is close to home and ready to help.

Since 1931, Allstate has been committed to making insurance better. Along with fast and fair claim service, we have innovative tools, apps and extras to make everyday life easier for you.

Talk to your Allstate agency today and see what we mean when we say “You’re in good hands.”

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