

# Just ask!

Arm yourself with the necessary questions to uncover opportunities in your book of business and help your clients identify areas in their personal and professional insurance planning that may need to be addressed. Use this handy checklist as a guide to obtain valuable, pertinent information from your clients—just ask and we'll help you with the rest!

## Business focus

1. When it's time to transfer ownership of your business (upon retirement, permanent disability or death), do you know:
  - Who will acquire it?
  - What the value of your business will be? (Have you had a recent business valuation completed?)
  - How the price will be determined?
  - How the transaction will be funded?
2. Do you have a buy-sell agreement in writing? Has it been reviewed and updated since the last major tax bill?
  - Does it consider what happens when one partner wants to retire?
  - Does it consider what will happen if one partner dies or becomes disabled?
  - How is it funded?
3. Do you have a plan in place to repay business loans in the event of your disability or death?
4. Do you have a retirement program through work? If so, is it going to be enough?
5. Does the success of your business require your active involvement?
  - Do you have a plan in place to cover business overhead expenses in the event you became disabled?
  - Is your business marketable if you aren't here?

## Key person focus

1. If a key employee were to leave your business (perhaps even work for a competitor), would it create a problem for your company?
  - Do you have a plan in place to discourage this?
  - Do you have a plan in place if he or she dies?
2. If your key employee was disabled for a prolonged period due to an illness or accident, would his/her income continue?
3. Have you reviewed your employee benefit program in the last two years?
4. If you have plans in place for these contingencies, have you reviewed their IRS treatment recently? If you can't get a tax deduction, will your costs be recovered?

## Estate planning

1. Do you know if you have an estate tax obligation under current law?
2. Does your estate have sufficient liquid assets to protect the value of your business at your death?
3. Do you have a formal estate plan in place? If so, when was the last time it was reviewed?
4. Do you have any wills and trusts?
5. Have you made provisions for estate probate and administrative costs?

## Personal focus

1. Do you have a Long Term Care (LTC) plan in place? Have you considered the possibility of tax favored LTC contributions?
2. Do you use business dollars to satisfy your personal financial security needs?
3. How long could you survive without any income if you were disabled?
4. Are you covered for short and/or long term disability protection?

## **Disability insurance (DI) - Personal**

1. How long could you sustain your current lifestyle without any income?
2. If you couldn't work tomorrow, do you have enough money set aside to pay the mortgage?
3. How long could you go without any income?
4. Are you covered for short and/or long term protection?
5. If you had a machine that generated your after tax salary (take home pay) would you insure it? (You are that machine!)

## **Disability insurance (DI) - Business overhead expense**

1. Does the success of your business require your active involvement?
2. Do you have a plan in place to cover business overhead expenses in the event you became disabled? (e.g. rent, utilities, employee wages, maintenance services, depreciation, taxes and mortgage interest, property and liability insurance)
3. Would a lender take a chance on your business if the primary income generator is disabled? And, if you had a loan, would you be able to make payments?
4. Would you be able to cover the salary of your replacement for the term of a disability work outage?

## **Disability insurance (DI) - Buyout with two or more partners**

1. Do you have a plan in place if your partner could no longer work? What if the situation was reversed?
2. If you became disabled, do you have a plan in place to recover the capital or your portion of the business? What if the situation was reversed?
3. If your partner becomes disabled, how will you run and grow the business? What if the situation was reversed?

