



# TAKING CARE OF BUSINESS, WITH TERM

It's your business. You've worked hard to build it. Let us work hard to protect it!

## WHAT HAPPENS IF AN OWNER OR KEY EMPLOYEE DIES?

### In a sole proprietorship

The sole proprietor is the business.

- Often the business dies too and the family's source of income disappears.
- The estate is responsible for all business liabilities. The family may find their personal savings depleted to cover business debts.
- Creditors often press for immediate payment, forcing business assets to be sold at "bargain" prices.
- Even if the family has the ability, experience and desire to keep the business running, it could take time and in business, time is money.

### In a partnership or corporation

Without a properly funded buy sell agreement in place, the surviving owners or shareholders are faced with:

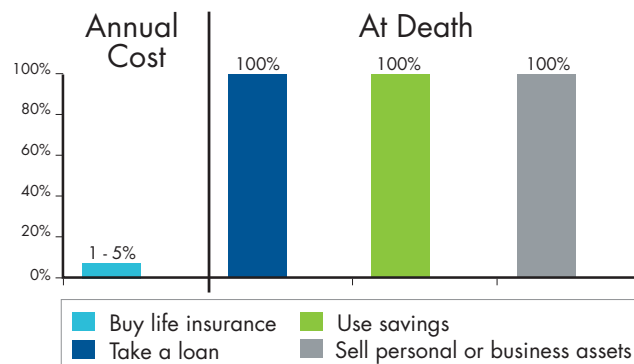
- Reorganizing the business to include the deceased owner's heir, or buy out their share.
- Using business earnings or selling business assets to fund the purchase of the deceased owner's share in the business.
- Given the uncertainty of the business' future, banks may be hesitant to lend money, leaving surviving owners/shareholders little choice but to dip into their personal savings.

## THERE IS A BETTER WAY

Term life insurance from Equitable Life® can help protect your business and your family by making funds available to pay off debts, fund buy sell agreements and keep the business running. Fund your business insurance needs today at a fraction of what it will cost to access those funds in the future. Total premiums payable for the insurance policy will vary depending on the date of death.

### Which funding option would you choose?

## COST OF FUNDING OPTIONS



For illustration purposes only

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## HOW IT WORKS

Term life insurance offers the flexibility to meet the needs of any business. It offers:

- Affordable life insurance that provides immediate protection for your business.
- Convertibility to permanent insurance as your business matures.
- 10 and 20 year plan options with automatic renewals up to age 85.
- A non-renewable plan with level premiums payable to the later of 30 years or age 65.

## CUSTOMIZING YOUR PLAN

Tailor a plan to meet your specific business needs:

- Combine multiple term coverages (term 10, 20 or 30/65) in a single life plan.<sup>1</sup> Pay only one policy fee.
- Add a critical illness insurance rider<sup>2</sup> to provide funds to help manage business and medical expenses so you can focus on your recovery.
- Options to purchase additional insurance as your business grows...no medical questions asked.<sup>3</sup>
- Peace of mind knowing your plan will continue even if a disability prevents you from paying your premiums.<sup>4</sup>

Term life insurance is a cost-effective way to make tax-free funds available for continuation of the business after the death of an owner, shareholder or key person.

## WHY IT MAKES SENSE

Term life insurance can help you mitigate business risks by:

- Providing cash to pay off business loans and debts.
- Providing working capital to keep the business running without having to use personal savings.
- Funding a buy sell agreement to ensure a smooth transition of the deceased owner's interest in the business to the surviving owners.
- Funding key person insurance to cover the costs to replace and retrain a key employee and minimize the disruption to the business.

Talk to your advisor today about **Term** life insurance for your business!



term

<sup>1</sup> Multiple lives are not available on business-owned policies. <sup>2</sup> Provides a lump-sum benefit, following the diagnosis of one of the covered conditions, and a survival period of usually 30 days. See contract for full details. <sup>3</sup> Guaranteed insurability option. Some restrictions apply. See policy contract for details. <sup>4</sup> Disability waiver of premium rider. Some restrictions apply. See policy contract for details.

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