

# Buy-Sell Checklist

A buy-sell agreement funded with life insurance protects business owners in the event an owner passes or leaves the company. Use this checklist when gathering information to help the case go through underwriting efficiently.

## Questionnaire

**Business name** \_\_\_\_\_ **Year founded** \_\_\_\_\_ **State of domicile** \_\_\_\_\_

### How is the business organized?

- |  |  |
|--|--|
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> LLC                 |
| <input type="checkbox"/> S corporation       | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> C corporation       | <input type="checkbox"/> Other _____         |

**Is there a written buy-sell agreement in place?**  Yes  No

### Who are the business owners? What is the death benefit applied for?

Name	Ownership Percentage	Age	Death Benefit Need

**Tell us about your business, what you do, and the industry you're in (for the business you are insuring.)**

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### What type of Buy-Sell Agreement is being used?

- |   |                                      |
|---|--------------------------------------|
| <input type="checkbox"/> Stock redemption | <input type="checkbox"/> Hybrid      |
| <input type="checkbox"/> Cross purchase   | <input type="checkbox"/> Third party |
| <input type="checkbox"/> Entity Purchase  | <input type="checkbox"/> Other _____ |

### What is the business valuation?

\$ \_\_\_\_\_ Provided by: \_\_\_\_\_

### What valuation method was used?

- |  |   |
|--|---|
| <input type="checkbox"/> Discounted Cash Flow Analysis | <input type="checkbox"/> Revenue Multiple |
| <input type="checkbox"/> Capitalization of Earnings    | <input type="checkbox"/> Book Value       |
| <input type="checkbox"/> EBITDA* Multiple              | <input type="checkbox"/> Other _____      |

\* Earnings before interest, taxes, depreciation, and amortization

## Next Steps

When ready to proceed, fill out the required Business Insurance Supplement form and submit it along with the completed application. Include the following:

1. A Profit & Loss statement.
2. A Balance Sheet for the business you are insuring.
3. A copy of the Business Valuation including the calculation method.

Including this checklist and a cover letter can also aid the underwriting process.

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