

Business Owner Conversation Guide



Because you are their trusted advisor, business owner clients seek your advice on a wide range of issues including buy-sell, key person protection, employee retention, and exit/succession planning. You may feel that these issues lie outside your core areas of expertise. If so, please consider Ash Brokerage your “technical back office” and allow us to help you serve your business owner clients.

Our Advanced Markets Team has prepared this guide to help you ask questions that spark meaningful conversations, conversations that lead to understanding your client’s hopes and fears about his or her business.

HOW TO USE THIS GUIDE

1. The questions are grouped into Business Planning and Personal Planning sections because every business owner has to take care of both sides. Of course, there is some overlap; the division isn’t hard and fast.
2. You don’t need to ask questions in the order they appear in the guide. You can use the brief checklist below to keep track of topics you’ve covered.
3. You may need to dig deeper than the first answer given, especially if it’s a one-word answer. For example: “What do you mean by that?”; “Can you give me an example?”; or “Tell me more ...”
4. This is not “fact finding”. It is discovery – of what matters. Have a notepad handy to capture key points and observations. You might get little or nothing worth writing down for some questions; for others you might fill an entire page.
5. Listen for when your client answers with the most passion and energy; that is likely the most important area to address first.

TYPES OF PLANNING

Business Planning

- Exit and Succession
- Buy-Sell and Funding
- Key Person Business Protection
- Key Employee Benefits – Recruit, Retain, Reward
- Employer Sponsored Coverage

Personal Planning

- Coverage for Self/Spouse
- Coverage for Children
- Estate Liquidity and Equalization

QUESTIONS TO ASK

Business Planning

Exit and Succession -

“How did you start in this business, and how did you come to be the owner?”

“How and when do you see yourself exiting your business?”

“Who will take over from you, and how ready are they to do so?”

“Do you wish to stay actively involved in the business after you transfer ownership, and if so, how long?”

“How much do you need to get from your business, either as income or a lump sum, to be secure in retirement?”

“How difficult would it be to sell your business to an outsider for cash?”

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Buy-Sell and Funding -

"Do you have any provisions in writing that deal with death/disability?"

"Have you had these provisions reviewed in the past 24 months?"

"Do you know the current value of your business?"

"Are these provisions funded with life insurance and/or disability insurance?"

"Have these policies been reviewed in the past 24 months to ensure they match up with the provisions and business value?"

Key Person Business Protection -

"Do you have insurance in place to keep the business afloat if any of the active owners were to pass away or become disabled?"

"Would profits be affected if this were to happen to any of the owners?"

"Do you have non-owner key employees that play a significant role in the success of the business?"

"Would profits be affected if your non-owner key employees were to unexpectedly pass away or become disabled?"

Key Person Benefits - Recruit, Retain, Reward -

"Do you provide benefits for your key non-owner employees?"

"Have you reviewed these benefits in the past 12 months to ensure they are adequate?"

"Is key employee retention important to the success of your business?"

"Would you be interested in seeing how a key person business protection policy could be used in a retention and reward plan?"

Employer Sponsored Coverage -

"Do you have a Group life and/or disability plan? Have you had a cost comparison in past 24 months?"

"Has anyone ever shared the potential tax benefits of implementing a Long-Term Care plan funded by the business?"

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Personal Planning

Coverage for Self/Spouse -

"Do you and your spouse (if relevant) have adequate life and disability coverage for income protection?"

"Do you have a plan for funding expenses if you or your spouse ever need home health care or other long term care services?"

Coverage for Children -

Adult children - "Do you know whether your children carry adequate coverage to protect their families? Would you consider options to help them with their personal insurance needs?"

Minor children - "Have you looked at beginning a life insurance portfolio for your children?"

Estate Liquidity and Equalization -

"Do you think that future tax law changes could cause your estate to be impacted by federal and/or state level taxes?"

"Do you have children involved in the business and, if so, do you anticipate passing the business to them?"

"Do you also have children not involved in the business? If so, will your estate plan leave each child feeling they have been treated fairly? (Or ... "If so, do you have a plan on equalizing all the children's inheritance?")"

ASH ANSWERS.

Advanced Markets don't have to be difficult. Advanced means extraordinary. It means you need more - more ideas, more resources and more answers. You don't stop at good enough. Neither do we. Whatever the question, whatever the need.

Ask your Advanced Markets team.