



Informal business valuation and buy-sell review

Five important questions about your business succession plan



A buy-sell agreement helps lay the groundwork to make sure your business continues as planned if you or another owner can no longer maintain ownership. And as your business evolves and grows, it's important that the agreement continues to align with its vision.

Ask yourself five questions:

- 1 **Does the agreement protect you and your business during both planned and unplanned events, such as disability, death, retirement, divorce, and disagreement?** Having a plan in place helps you and others better prepare for the future.
- 2 **Does the agreement specify a mandatory buy-out if an owner becomes disabled or dies?** Keep in mind that if it doesn't, there might not be a buyer for the owner's shares.
- 3 **Is the agreement properly funded with both life and Disability Buy-Out (DBO) insurance?**
 - › Make sure the provisions in the agreement and insurance policy terms are consistent.
 - › Confirm you have enough coverage in place.
 - › List the DBO and life insurance policies within the agreement to quickly identify them when needed.
- 4 **Do you know the value of your business?** It's helpful to know if it's up to date.
- 5 **What purchase price is listed in the agreement?** It's important that the purchase price aligns with your business's current value.



Not sure how to answer some of these questions?

Talk to your financial professional about how a **complimentary buy-sell review and/or informal business valuation** from Principal® could help.

Protect your success

In addition to getting a **complimentary** informal business valuation on your business, your financial professional can help you protect your success in other areas:

- **Protecting your business and key employees.** An important part of planning for the future includes having a formal business succession plan in place. It's the best way to help ensure that your business will continue in your absence and on your terms. This is something many business owners don't address. In fact, nearly 4 in 10 business owners don't have a succession plan in place.¹
- **Protecting your lifestyle.** Protecting the value of your business is also key. It's important to your company's overall success should something unexpected happen. You may also want to protect the business because it's likely a source of income for you and your family, as well as planned retirement income for you. We know this type of planning is easy to overlook, so we can help you with some planning solutions.

 Let's connect

Contact your financial representative.

¹ 2023 Principal Financial Group Business Owner Insights survey, conducted by Dynata.



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This is an overview of the benefits of insurance, but there are limitations and exclusions. For cost and coverage details, contact your Principal® representative.

An informal business valuation is not a substitute for a formal valuation nor does it establish a value for tax purposes.

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