Wealth Strategies for Business Owners
focused solutions for driven customers

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MetLife’s Wealth Strategies for Business Owners can help take your business to new heights with knowledge building solutions for managing wealth in today’s marketplace.

Successful financial professionals recognize the opportunity the business owner market possesses — size, expansion potential and a true need for multiple financial solutions. However, many financial professionals exit this marketplace when the time and resources spent gaining entry into this demographic fail to produce the desired return on their efforts. MetLife created selling system to help you succeed in meeting the goals of business owner clients with focused life insurance based solutions.

This selling system combines suggested sales activities and focused potential solutions targeted to the client’s most paramount goals. By identifying the business owner’s number one objective and offering a targeted solution, you will be able to better serve your clients’ needs, close more sales and gain more referrals in this market.
Key to Success #1

Identify the Business Owner’s Top Priority

One of the reasons business owners are such an attractive market is they simply have more needs than your average client. In addition to common individual priorities like income replacement, retirement and legacy planning — they must also actively prepare for the potential loss of key employees, provide benefits to retain their top executives and plan for the day when they will no longer be actively involved in the business.

This sheer volume of needs is one of the reasons financial professionals may not see the same closing ratios in this market. Too often, financial professionals will attempt to address every objective and desire all at once. They may spend tremendous amounts of time creating all-encompassing plans that address each potential concern so thoroughly that no client could possibly form any objection. However, what tends to happen with plans like this is that the complexity and multitude of solutions overwhelm the business owner. The client replies, “I will think it over,” and is typically never heard from again. After several repeat scenarios play out with other business owner clients, the financial professional concludes that no matter how perfect the plan, business owners rarely act on their own behalf.

What these financial professionals fail to recognize is that these perfectly intricate plans effectively paralyze the business owner into a state of inertia. The client is so overwhelmed and confused by the complexity that they cannot even fully appreciate or understand the importance of what has been proposed. The owner may even feel a sense of hopelessness regarding the potential to solve all of these needs.

Therefore, the first Key to Success is to identify the priority which is most important to this particular client. Asking the right questions and listening closely to how your client answers them will be the single greatest determinant of your success in this marketplace. Mastering this step will help ensure you provide an actionable strategy focused on the client’s most pressing goal which, after all, is exactly why the client sought your assistance.

Think of the business owner’s situation as being similar to a couple who recently purchased a century old home. Immediately fixing every blemish on the home inspection is simply too intimidating for most people. Start by fixing the plumbing and once corrected, the next task can be accomplished with even greater confidence.
Knowing What Questions to Ask

Essentially, most business owners have similar concerns. What makes each one unique is the degree to which they value each concern. A business owner, like any client, will act on what is of critical importance to him or her.

Therefore, your first goal is determining what your client considers the single most important objective in his or her life. Completing this step will greatly increase the probability you will present a solution your client will find both manageable and appealing. Presenting a solution to the most pressing need will lead to opportunities to solve your client’s other goals and objectives.

MetLife has created the Business Owner Questionnaire to help you with this step because it is so critical to the process. This questionnaire not only asks many of the technical questions you need answered to create an appropriate plan, but also helps you phrase the questions about how the business owner feels, and what is important to them, in a language they comprehend. Reviewing the Business Owner Questionnaire with your client at your first meeting will help ensure you understand the dynamics of the business as well as the priorities of the owner. It is also beneficial to use as part of the annual review process to capture any changes as the business matures.

97% of business owners do not have a succession plan in place.
2011 U.S. Trust Insights on Wealth and Worth

47% have business life insurance for some purpose.
Small World: Trends in the U.S. Small Business Market, LIMRA, January 2013
Key to Success #2

Prioritize Strategies to Solve the Business Owner’s Needs

Business owner objectives generally fall within the six categories listed below:

From these groups you can further prioritize the area of the client’s focus. This is an exercise that can only be done with the business owner. Having the business owner tell you what has to be tackled first reaffirms their willingness to act upon a solution for that goal. This step will transform concern into action.

- **Retirement Income**
  - Have you saved enough to maintain your lifestyle and become independent of the business?

- **Estate Planning**
  - Can you successfully transfer the assets you have worked a lifetime to accumulate?

- **Succession Planning**
  - Have steps been identified to transfer the business to others at a fair price?

- **Key Person**
  - If a key employee becomes disabled, resigns or dies, would the business suffer financially?

- **Disability Protection**
  - If you became disabled, would you be able to meet your business and personal obligations?

- **Executive Benefits**
  - Have you created programs to recruit, reward and retain key employees?

While the first Key to Success was to identify the owner’s top priority, it is still important to pay close attention to those that were close runner-ups. When narrowing down potential solutions to present to the client you will want to ensure that what is presented complements, or at least is not in conflict with, other important goals. This is critical because once the number one objective is addressed, one of these runner-ups will likely be the next item the client asks you for help solving.

**POTENTIAL SOLUTIONS FOR EACH CONCERN**

MetLife offers a wide breadth of insurance product solutions for business owners. Below is an overview of a few strategies that you may want to consider for each of the concerns noted.

*A detailed grid of the marketing materials currently available for each strategy can be found on the last page of this brochure.*

- **Retirement Income**
  - Supplemental Income Strategy
  - Life Insurance in Qualified Plans
  - Employee Stock Ownership Plan (ESOP)
  - S Corporation Security Plan

- **Estate Planning**
  - Spousal Lifetime Access Trust
  - Dynasty Trust
  - Grantor Retained Annuity Trust
  - Charitable Trusts
  - Intentionally Defective Irrevocable Trust
  - Leveraged Credit Shelter Trust

- **Succession Planning**
  - Buy-Sell Plans
  - Business Continuation Retirement Partnership
  - Self Canceling Installment Notes

- **Key Person**
  - Key Person Insurance
  - Endorsement Split Dollar

- **Disability Protection**
  - Disability Income Insurance
  - Disability Buy-Out Plans

- **Executive Benefits**
  - Executive Bonus
  - Non-Qualified Deferred Compensation
  - SERP Dollar
  - SERP Dollar Plus
  - 401(k) Mirror Plans
Key to Success #3

Evaluate the Strategies and Present the Best Option to the Client

Now that you have determined the client’s top priority and identified potential strategies that may meet their needs, it is time to further narrow those strategies using the business profile data gathered on the Business Owner Questionnaire. The type of business entity, number and/or age of employees, number of owners, value of the business and future plans stated by the business owner will give you the details you need to transform several potential strategies into one successful solution you can present to the client.

Some of these strategies may be unfamiliar to you and that’s okay. Now more than ever, clients are seeking advice on more complex issues — tax management, risk management, asset protection — and MetLife understands that for financial professionals, it’s difficult to be an expert in all disciplines. That’s why, in addition to the resources you may have at your own firm, MetLife makes available a team of highly credentialed professionals and specialists. While these professionals do not provide tax or legal advice, they stay abreast of industry and regulatory issues critical to your success and are a key resource in providing general guidance. This team’s goal is to help fuel the growth of your business by delivering cutting-edge life insurance based solutions for all of your clients, including business owners. This group is available to help you determine the best option to present to your client as well as provide illustrations and marketing materials to help you close the sale.
Meet the BOSS

Business Owner Strategic Solutions (BOSS) is MetLife’s proprietary insurance selling system to help you succeed with business owners. This website contains all our current materials, the BOSS Insurance SelectorSM and the quarterly newsletter created by MetLife’s Advanced Sales Center.

With all of the information you need in one place, including sales concepts, market overview and a new selector tool, you’ll be well positioned to take advantage of this prime market.

Life insurance is a flexible product that offers death benefit protection and may also offer an opportunity to save for the future. Evaluating all available financial opportunities may help business owner clients reach their financial goals. Life insurance is one of those opportunities — providing protection today and helping prepare for tomorrow.

To access all of MetLife’s BOSS materials, enter the key word “BOSS” into the search field in the upper right hand corner of your MetLife financial professional website.

Please contact us with any questions or to order printed versions of marketing materials.

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Distributions are generally treated first as tax-free recovery of basis and then as taxable income, assuming the policy is not a Modified Endowment Contract (MEC). However, different rules apply in the first fifteen policy years, when distributions accompanied by benefit reductions may be taxable prior to basis recovery. Non-MEC loans are generally not subject to tax but may be taxable when the policy lapses, is surrendered, exchanged or otherwise terminated. In the case of a MEC, loans and withdrawals are taxable to the extent of policy gain and an additional 10% tax may apply if taken prior to age 59½. Always confirm the status of a particular loan or withdrawal with a qualified tax advisor. Loans and withdrawals will decrease the cash value and death benefit. Cash value accumulation may not be guaranteed depending on the type of product selected. Investments in variable life insurance are subject to market risk, including loss of principal.

Like most insurance policies, MetLife’s policies contain charges, limitations, exclusions, termination provisions and terms for keeping them in force. Contact your financial representative for costs and complete details.

Pursuant to IRS Circular 230, MetLife is providing you with the following notification: The information contained in this document is not intended to (and cannot) be used by anyone to avoid IRS penalties. This document supports the promotion and marketing of insurance products. Your clients should seek advice based on their particular circumstances from an independent tax advisor.

MetLife, its agents and representatives may not give legal or tax advice. Any discussion of taxes herein or related to this document is for general information purposes only and does not purport to be complete or cover every situation. Tax law is subject to interpretation and legislative change. Tax results and the appropriateness of any product for any specific taxpayer may vary depending on the facts and circumstances. Your clients should consult with and rely on their own independent legal and tax advisers regarding their particular set of facts and circumstances. November 2013

Insurance Products:
• Not A Deposit  • Not FDIC-Insured  • Not Insured By Any Federal Government Agency
• Not Guaranteed By Any Bank Or Credit Union  • May Go Down In Value