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| Business succession request for proposalHelp secure your transition from the business |

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| With a little information, we can help you design an appropriate business succession plan that meets your needs. There are many succession strategies to consider. Start with a simple question to narrow down your options. |



**Who will you transfer the business to when you exit?**

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| --- |
| [ ]  Gift to family |
| [ ]  Bequest to family |
| [ ]  Sell to family |
| [ ]  Sell to co-owner or business |
| [ ]  Sell to an employee stock ownership plan (ESOP) |
| [ ]  Sell to employee or third party |

**Business profile**

|  |  |
| --- | --- |
| Business name: |       |
| Headquarters – City, State: |       |
| Issue state: |       | Nature of business (manufacturing, financial services, etc.): |       |
| Business structure: | [ ]  Corporation | [ ]  LLC | [ ]  Partnership |
|  |  Taxed as:[ ]  C corporation[ ]  S corporation | Taxed as:[ ]  Partnership[ ]  C corporation[ ]  S corporation | [ ]  Sole proprietorship |
| Business tax bracket (Federal & State): | [ ]  21% [ ]  25% [ ]  30% [ ]  35% [ ]  40% [ ]  45% |
|  | [ ]  Other: |       |

**Required information**

|  |  |  |  |
| --- | --- | --- | --- |
| Estimated value of the business: |       | Annual growth rate: |       |
| Number of years before you start the transfer or sale of business: |       | Number of employees: |       |
| Number of children in the business: |     |  | Number of children outside the business: |     |

**Owner/key employee census**(If more than 3 people, attach spreadsheet or send electronically.)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Name | Ownership % | Date of birth | Gender | Smokingstatus | Riskclass | Taxrate |
| 1. |       |      % |       |       |       |       |      % |
| 2. |       |      % |       |       |       |       |      % |
| 3. |       |      % |       |       |       |       |      % |

**Plan design**(If more than 3 people, attach spreadsheet or send electronically.)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Employer contribution amount | Employee contribution amount | Face amount | Insured’s age at buy-out | Years to complete buy-out | Buy-out payment | Funding |
| Product | Interest\*\* |
| 1. | $      | $      | $      |       |       | $      |       |      % |
| 2. | $      | $      | $      |       |       | $      |       |      % |
| 3. | $      | $      | $      |       |       | $      |       |      % |
| [ ]  Net\*\* [ ]  Gross\*\* |

**Terms of sale**

|  |  |  |  |
| --- | --- | --- | --- |
| 1. Desired future sales price:
 |       |  |  |
| 1. Down payment:
 |       |  |  |
| 1. Seller’s basis:
 |       |  |  |
| 1. Installment note details:
 |  |  |  |
| a. [ ]  Installment note [ ]  Interest-only note |  |
| b. Note terms: [ ]  5 year [ ]  10 year |  |
| c. Interest rate: |    % | (We’ll assume Applicable Federal Rate (AFR) unless another rate is provided.) |

**Select buy-out design type**If you’re considering a Select buy-out plan, please complete this section.

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| **Bonus design** [ ]  |
| Choose one of the options below: |
| [ ]  Single bonus |
| [ ]  Double bonus |
| [ ]  Simulated salary deferral |
| Restrictions: [ ]  Agreement to limit access to successor plan values |

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| --- |
| **Select reward design** [ ]  |
| Years to complete buy-out |    | Or to age at buy-out |    |
| At fulfillment, lump sum down payment to |
| successor: |       |
| Tax at fulfillment: Pay tax via withdrawal from |
| policy cash value? [ ]  Yes [ ]  Other |       |
| Endorse death benefit prior to buyout? [ ]  Yes [ ]  No |
| **Option A:** Executive receives level amount of | $      |
| **Option B:** Company gets greater ofpremiums\* or cash value, balance to |
| executive: [ ]  Yes [ ]  Other |       |
| **Economic benefit cost:** Pay tax on economic benefit via out-of-pocket cash? [ ]  Yes [ ]  No |
|  |
| \* Premium is determined by the amount of the lump sum down payment. Face amount is defaulted to minimum. |

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| *Proposals will NOT be provided without an indication of a valid Principal agency,or Brokerage General Agency (BGA) office # and/or bank/wire relationship.***Required: Financial professional and proposal delivery information** |
| Name and designations: |       |  | Phone: |       |
| Bank/wire relationship: |       |  | Email: |       |
| Principal agency/BGA office name and number: |  | *Should anyone else (Financial professional or BGA)receive this proposal?* |
|       |  |
| Principal wholesaler: |       |  | Name: |       |
|  |  | Email address: |       |
| From receipt of completed RFP and all necessary documents, please allow 5 business days for proposals.**Questions** can be sent to **newrfps@exchange.principal.com** or call the Business and Advanced Solutions hotline at **833-803-8345.** |