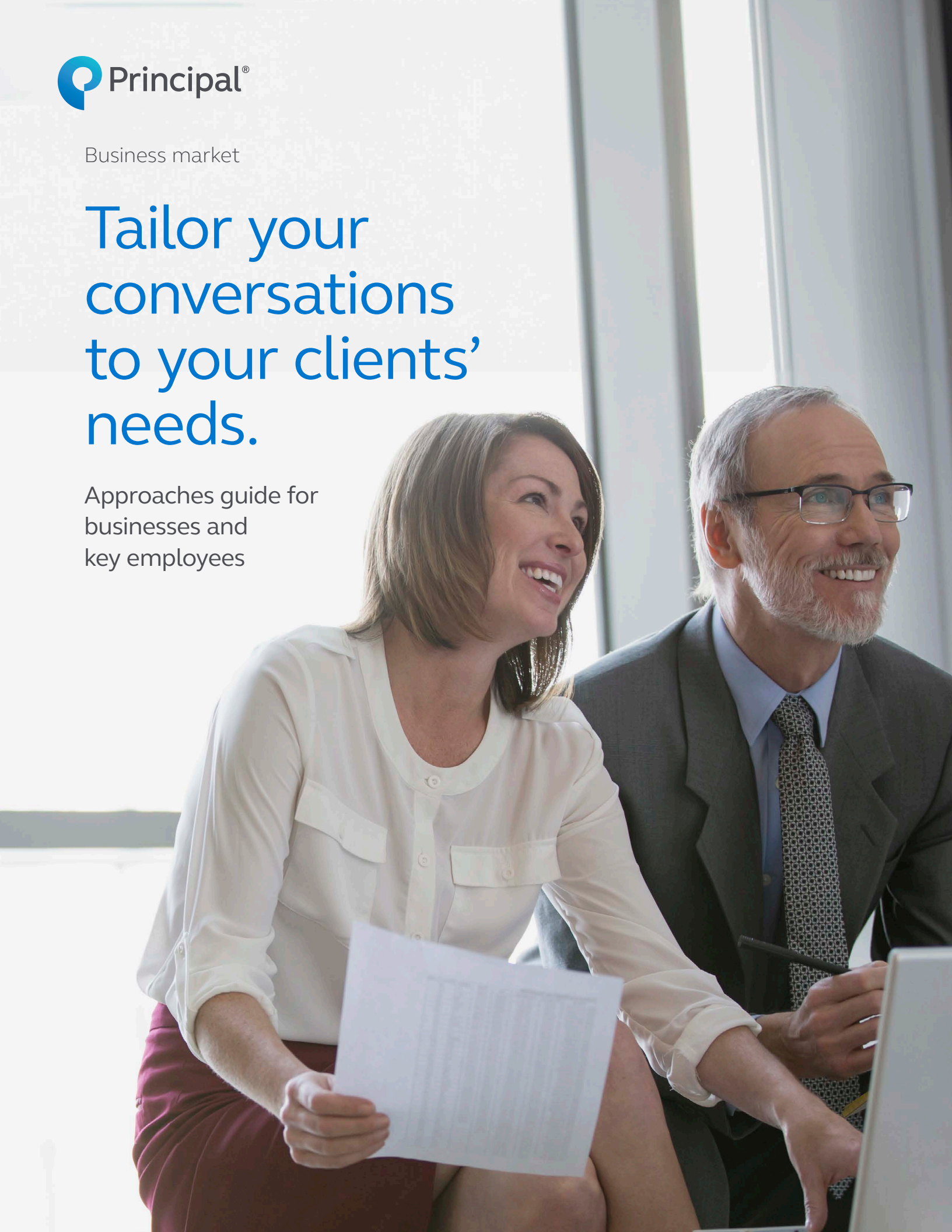
Principal®

Business market

Tailor your conversations to your clients' needs.

Approaches guide for businesses and key employees





Are you targeting the right prospects with the right conversation?

Whether you're helping a business owner with their business or personal needs, one thing is for sure—each client's needs require tailored solutions. Having a targeted approach makes it easier to begin talking about those unique needs and ways to meet them. We make it easy for you to start the conversation, gather the facts, and recommend solutions. And we're here any time you need to consult with us—before, during, and after the sale.

In this guide:

Learn about who's a good prospect, the value to the client, helpful resources, and sales opportunities for each of the following approaches.

Business planning approaches

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Business Valuation/ Buy-Sell Review

Who's a good prospect?

- Buy-Sell Review:
  - Any company with a buy-sell agreement not reviewed in last two years
  - Any company with an operating agreement or partnership agreement that includes buy-sell provisions
- Informal Business Valuation:
  - Manufacturing companies
  - Construction companies
  - Professional service-related companies (architects, healthcare systems, law firms, dentists, engineering firms, accounting firms, etc.)
  - Profitable, growing businesses with gross revenues of $500,000 and above

Note: Some types of businesses are not good prospects for informal business valuations such as:

- Farms/ranches
- Businesses with commissions as their primary source of revenue
- Real estate holding companies and small real estate agencies
- Rental properties, such as B&Bs and hotels
- Businesses engaged in activities prohibited by Federal law

Value to the client

The Informal Business Valuation and Buy-Sell Review reports offer important information to business owners about the impact the value of their business and/or the state of their buy-sell agreement can have on many aspects of their financial future. And that, in turn, can lead to additional life (and disability) insurance sales.

Helpful resources

- **Sales Opportunity Brochure** (BB10350)
- **Approach Brochure** (BB9852)
- **Business Planning Services RFP** (https://insurance.finpro.principal.com/request-for-proposal)
  - Collect a copy of existing buy-sell agreement.
  - Collect the most recent three full years of business tax returns.
  - Ask about any existing insurance.

Insurance sales opportunities

- Key person life (and disability) insurance
- Business succession planning and buy-sell funding
- Key employee retention and retirement
- Legacy and estate planning

Business Needs Assessment

Who's a good prospect?

- Privately held and publicly traded businesses
- For-profit and nonprofit organizations
- Businesses with any number of employees
- All industries

Value to the client

Easy-to-use digital solution allows business owners to answer a few questions about the financial well-being of their business and get a personalized assessment in three areas: protecting their business, employees, and lifestyle.

Helpful resources

- **Dedicated site for Financial Professionals at** principal.com/businessneedsassessmenttools
- **Business Needs Assessment Approach Email** (LF1297)

Insurance sales opportunities

- Key person life (and disability) insurance
- Business succession planning and buy-sell funding
- Key employee retention and retirement
- Legacy and estate planning

Prioritizing Business Needs

Who's a good prospect?

Any business—especially those that aren't a good candidate for the Informal Business Valuation service

Value to the client

Business owners often have numerous planning needs—some known and others unknown. This approach will help you identify solutions to address the financial needs of the business, the employees, and the business owner(s).

Helpful resources

- **Business Solutions Chart** (BB10565)
- **Business Solutions Customer Profiles** (BB11233)
- **Priorities Checklist** (BB9557)
- **Business Life Cycle and Planning Brochure** (BB11226C)
- **Comprehensive Fact Finder** (BB8718C)

Insurance sales opportunities

- Key person life (and disability) insurance
- Business succession planning and buy-sell funding
- Key employee retention and retirement
- Legacy and estate planning

Business Owner Retirement

Who's a good prospect?

- Owners of for-profit businesses of all entity types including C corporations, S corporations, partnerships, LLCs, or sole proprietorships
- Owners who want to use their business as a source of retirement income—from either a sale or other transition method
- Owners of businesses with strong financial integrity

Value to the client

These clients are in the unique position of owning a business, which can play a key role in their personal retirement. Depending on the value of the business, the strength of the buy-sell agreement and proper funding, the business can generate income during retirement—just like it has done through their working years. If rather than selling the business, they want to gift it to family and continue working, that's also possible with some careful planning.

Helpful resources

- **Business Solutions Customer Profiles** (BB11233)
- **Business Owner Retirement Approach Brochure** (BB11848)
- **Business Owner Retirement Approach Analysis** (BB11876)
- **Request for Proposal** (BB11879)

Insurance sales opportunities

- Retirement income
- Key person life (and disability) insurance
- Business succession
- Legacy and estate planning

Family Business Planning

Who's a good prospect?

Owners of a family-owned business (any entity type)

Value to the client

Among business owners with a succession strategy, the most popular plan is to leave the business to family.[1] Help family-owned businesses be prepared for their future with a targeted planning approach. No matter the type of business, they likely have unique ownership transition needs.

[1] 2023 Principal Business Owner Market Study conducted by Dynata using 1,000 online interviews in January 2023.

Helpful resources

- **Business Solutions Customer Profiles** (BB11233)
- **Family Business Conflict Flyer** (BB12639)
- **Family Business Strategic Planning Process** (BB12032)
- **Family Business Planning Sample Proposal** (BB12043)
- **Request for Proposal** (BB12033C)

Insurance sales opportunities

- Business succession
- Inheritance equalization
- Legacy and estate planning
- Retirement income

Agribusiness Solutions

Who's a good prospect?

Owners of farms, ranches, or other agribusinesses—most often family-owned.

Value to the client

No matter the type of farm—livestock, crops, orchards, or something else—they have one thing in common: Most are family farms with unique ownership transition needs. They may have complicated estates, unconventional approaches to retirement, and hopes that their legacy lives on. Life insurance can be an important part of the solution for these distinct planning needs.

Helpful resources

- **Agribusiness Marketing Guide** (BB11775)
- **Agribusiness Strategic Planning Process** (BB11777)
- **Agribusiness Solutions Sample Proposal** (BB11824)
- **Agribusiness Family Conflict Flyer** (BB11573)
- **Request for Proposal** (BB11776C)

Life insurance sales opportunities

- Business succession
- Inheritance equalization
- Legacy and estate planning
- Retirement income

Strategic Alliances

Who's a good prospect?

Mid-sized property & casualty (P&C), employee benefits, and accounting firms, as well as banks and credit unions.

Value to the strategic alliance

These firms are often searching for new reasons to reach out to their existing clients. And they know that some of their customers have unfulfilled risk protection needs. So why aren't they offering to fill these needs? Well, without in-house experience on life and disability insurance—or retirement and business succession planning—they may not know how. That's where you come in. You can help them deliver the additional products and services that can strengthen their customer relationships—and everyone's bottom line!

Helpful resources

- **Strategic Alliance Approach Brochure** (BB11975C)
- **Opportunity Guide** (BB11976)
- **P&C Sample Revenue Opportunity Calculator Output** (BB10522)
  If you're interested in developing a business plan to enter this market, please contact: Annette T. Young, assistant consulting director — Business and Advanced Solutions, 515-452-4096, young.annette.t@principal.com.

Insurance sales opportunities

- **Business clients.** Business protection, business succession, key employee retention and retirement, and legacy and estate planning
- **Individual clients.** Life insurance, disability income insurance, legacy and estate planning, and retirement income

Individual Retirement with Life Insurance

Who's a good prospect?

- Business owner or key employee
- Have a need for life insurance coverage and are in good health
- Ages 30-55 with at least 10 years until retirement
- Earn at least $100,000 annually
- Limited by or have no access to a qualified plan and want to diversify their tax portfolio

Value to the client

The retirement income landscape is changing. There are fewer pension plans and much uncertainty about Social Security, tax legislation, and market performance. Now, more than ever, saving for retirement is up to individuals. You can play a big role in helping pre-retirees get prepared and introduce life insurance as an option to supplement and diversify retirement income.

Helpful resources

- **Marketing Guide** (BB12038)
- **Life Insurance and Retirement Brochure** (BB11982)

Life insurance sales opportunities

- Universal life
- Indexed universal life
- Variable universal life

Life Insurance Review

Who's a good prospect?

- Business owners, their key employees, and family members who haven't had a recent review
- Rated policies, where health improvements or underwriting liberalizations may offer new opportunity
- Cash-value policies that have been under-funded or heavily borrowed against
- Term insurance (particularly with larger face amounts) for possible conversion
- Term insurance that has been in force several years for conversion or potential replacement if it meets the clients' needs
- Clients whose financial or business situation has seemingly improved, or who have experienced a major life change
- Large cases in general that have been in force for some time
- Trust-owned life insurance policies
- Clients with sizeable annuity and/or qualified plan assets who are over age 60 and prosperous

Value to the client

The life insurance review package helps you get in front of more clients, provide a valuable, annual check-up and earn the opportunity to explore additional needs and solutions.

Helpful resources

- **Life Insurance Review Marketing Guide** (BB9685)
- **Approach Email** (LF496)
- **Life Insurance Review Checklist** (BB11467)
- **Life Insurance Beneficiary Guide** (BB12065)

Life insurance sales opportunities

- Survivor income
- Legacy and estate planning
- Retirement income

Life Insurance Awareness

Who's a good prospect?

Anyone who wants to protect the people they love when they can't be there anymore.

Value to the client

Increase your clients' awareness about how life insurance can help:

- Pay for funeral and final expenses
- Provide for lost income
- Pay off a mortgage or other debt
- Diversify savings
- Leave a legacy to charity or family
- Provide cash to settle an estate
- Provide an emergency fund in the event of a chronic illness

Helpful resources

- **Guide to Life Insurance** (BB9135)
- **Life Insurance Worksheet** (BB9138)

Life insurance sales opportunities

- Survivor income
- Legacy and estate planning
- Retirement income

Legacy and Estate Planning

People with estates of all sizes share a common concern—making sure their estate is distributed to whom they want in the manner they want. You can help your clients have greater confidence by creating a plan to help ensure their goals are met.

Helpful resources:

- **Financial and Estate Planning Documentation Workbook** (BB6808)
- **Estate Planning Brochure** (BB10061)
- **Estate Planning Questionnaire** (BB6794)
- **Estate Tax Calculator RFP** (DD9031C)

Workplace Financial Wellness

Who's a good prospect?

- Business clients with whom you have an existing business relationship
- Businesses with low turnover
- Businesses with 10 to 200 employees

Value to the client

Many employees worry about their finances, and this distraction may make them less productive, lower their morale, and create other challenges for their employers. But with the Workplace Financial Wellness program, you can offer employees financial education and personalized assistance to get their financial lives on the right track.

Helpful resources

- **Opportunity Guide** (BB11778)
- **Employer Brochure** (BB9127)
- **Employee Brochure** (BB9128)
- **Workplace Financial Wellness Questionnaire** (BB9488)

Life insurance sales opportunities

- Survivor income
- Retirement income
- Legacy and estate planning
- Disability income insurance

Life Insurance as an Asset

Talk to your clients about additional uses of life insurance to adapt to future protection, accumulation, and transfer needs. Adding life insurance to complement an existing financial portfolio addresses the need for death benefit protection as well as those seeking tax advantages, efficient wealth transfer, access to cash, and an attractive rate of return.

Helpful resources:

- **Life Insurance and Retirement Brochure** (BB11982)
- **Life Insurance as an Asset Consumer Brochure** (BB11600)

Risk Protection (Life/DI Combo)

Life and disability income (DI) insurance can be essential to protecting incomes, loved ones, and assets from unpredictable risks. With the right protection in place, your clients can build financial strategies in confidence. Like most Americans, income is needed to live day-to-day. There may be little or no money left after a premature death or disabling injury or illness.

Helpful resources:

- **Life Products and Services Guide** (BB8978)
- **DI Product Profile** (JJ1674)
- **Risk Protection Infographic** (LH141POD)

Special Needs Planning

Caring for a loved one with special needs can present unique financial challenges. You can help your clients understand how they can secure the financial future of a family member with special needs.

Helpful resources:

- **Special Needs Planning Flyer** (BB12235)
- **Special Needs Trust Flyer** (TR875)

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