

DISABILITY INSURANCE

# MetLife Buy-Sell Business Protector



# MetLife



Protect Your Business.  
Protect Your Partners. Protect Yourself.



## Your business can be protected from the uncertainties of tomorrow.

Protect yourself, your co-owners and your business from a disability using a buy-sell agreement. A buy-sell agreement outlines how ownership will transfer from one owner to another, if one becomes disabled. Plus, you can fund your agreement with insurance so you will know where the money will come from and avoid depleting personal accounts or business savings.

I want to implement a buy-sell agreement and fund it with disability insurance. How do I get started?



**Step 1.** Consult with your legal or tax advisor to set up your buy-sell agreement. This would include deciding on a plan for how the buy-sell policies should be purchased. There are many ways that buy-sell policies can be structured, so consult your attorney to determine the best way for your particular needs.

**Step 2.** Work with your financial professional to fund a buy-sell agreement using a disability insurance policy that's right for your business.

**Step 3.** If a disability occurs, the insurance company will administer the plan. This removes the burden from the remaining owners to determine the extent of the disability, how to provide for the disabled owner and when the buy-out will happen.<sup>1</sup>

**Step 4.** Should a disability occur after the waiting period ends, the non-disabled owner(s) will receive the buy-out benefit. The benefit amount will be the least of the maximum buy-out benefit, the fair market value, or the purchase price.

**Step 5.** If other non-disabled owners are insured, the policy(ies) covering them will remain in place as long as premiums are paid.



## You and your partners

have worked hard to build a successful business. Because of that hard work, no one knows the responsibilities and the goals of your business like you and your co-owners do.

### So, what happens if you or a co-owner suffer a disability that prevents you from returning to work?

An unexpected disabling illness or injury that prevents you or another owner from working can quickly change the plans you have for the business. And if an owner suffers a permanent disability that makes it impossible to return to work, he or she may need to sell ownership in the company in order to pay for ongoing personal expenses.

Have you considered:

- Where the funds to buy out a disabled owner's interest in the business would come from?
- Do you have enough in your business savings to buy out your co-owner? Would you need to use personal savings?
- Who will step in if a co-owner becomes disabled? Would the spouse or child of your co-owner take over their responsibilities? How would a new co-owner affect the business?
- Who will decide how and when the buy-out should happen?

# Let's look at an example.

**Meet Michelle and Matt, equal partners in M&M Framing.** To protect their business and themselves in the event a disability occurs, they set up a buy-sell plan and funded it with disability insurance policies.

## Michelle



Michelle owns a 50% Share



## Matt



Matt owns a 50% Share

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So, what happens if Michelle becomes permanently disabled?

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**50%**



**100%**

As per the buy-sell agreement, Michelle sells her 50% share to Matt. Their buy-sell insurance policy provides the funds to purchase Michelle's share of the company.

Matt now owns 100% of the business.

Matt would buy out Michelle's share, using the funds provided by the buy-sell disability insurance policy to cover the cost. Matt would now own 100% of the company, instead of having to worry about a new partner.

Because of their buy-sell agreement funded with disability insurance, both owners can focus on what's most important to them: Michelle can focus on recovering, and Matt can focus on running the business.



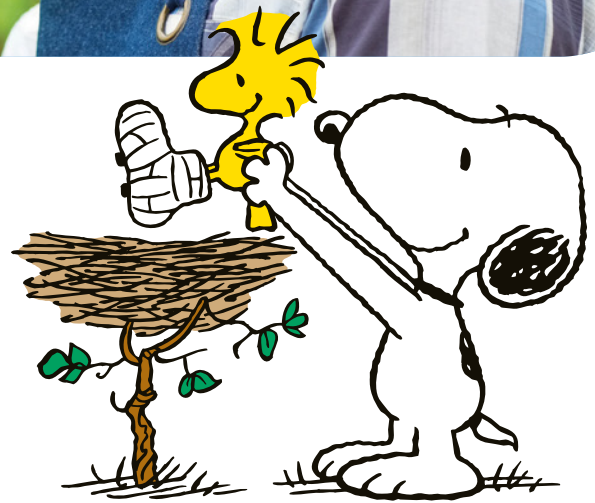
# MetLife's buy-sell disability insurance

provides an opportunity to keep your business on track and ease the burden of a buy-out on a disabled owner and the owner(s) who remain. It can provide the funds you need to purchase a disabled partner's share of the business so both of you can focus on what's most important.

## Unique Features

**With high benefit amounts and customizable features, you and your partners can rely on MetLife as the carrier of choice to fund a buy-sell agreement.**

- **Guaranteed premiums:** MetLife will guarantee that your premiums will stay the same until you're age 65.
- **Premium discount:** The best way to make sure your business will continue if an owner is permanently disabled is to make sure all partners are covered. MetLife offers a discount if two or more owners apply.
- **Full payment of claims:** If the disabled owner dies prior to the completion of monthly installments, MetLife will continue to pay the benefits in full to the policyholder or any assignee.
- **High benefit amounts:** Up to \$2 million of coverage.<sup>2</sup>
- **Multiple benefit payment methods to fit your needs:** lump sum, installments of 12, 24, 36, 48 or 60 months, or down payment, which is a combination of a lump sum and installments payments.
- **Guaranteed Insurability Rider:** Increase your coverage amounts as your business grows in value with no additional medical underwriting; just show that your business is worth more financially.<sup>3</sup>



## Working for you

At MetLife we're working hard when you can't to provide you with support when you need it most. We have the experience, commitment and resources to help safeguard the things that matter most to you. Discover the protection of disability insurance backed by the strength of MetLife.

## The Strength of MetLife

The promise of a financial safety net is only as strong as the company behind it. Disability insurance from MetLife can help you protect your loved ones while building your financial portfolio.

Since 1868, MetLife has been one of the largest and most respected financial institutions in the U.S. MetLife, Inc., through its subsidiaries and affiliates ("MetLife"), is a leading global provider of insurance, annuities and employee benefit programs. MetLife holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East. For more information, visit [www.metlife.com](http://www.metlife.com)

\*For current ratings information and a more complete analysis of the financial strength of Metropolitan Life Insurance Company, please go to [www.metlife.com](http://www.metlife.com) and click on "About MetLife," "Ratings".

**Protect your business, your partners and yourself.  
Contact your financial professional today.**

<sup>1</sup> To receive buy-sell benefits, the insured must be totally disabled through the end of the elimination period, have ownership interest in the business, be actively employed by the business, have an in-force policy and have a valid buy-sell agreement in effect.

<sup>2</sup> Amounts up to \$2.5 million MAY be considered for occupational classes 6A and 5A, subject to prior underwriting approval. Consideration of these excess amounts may require additional medical and financial information.

<sup>3</sup> Issue and Participation limits still apply.

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Like most disability insurance policies, MetLife's policies contain certain exclusions, waiting periods, reductions, limitations and terms for keeping them in force. Ask your representative about costs and complete details.

All policies, riders and provisions may not be available in all states, at all issue ages and to all occupational classes. Ask your representative for complete details. Eligibility is subject to underwriting approval.

For policies issued in New York: These policies provide disability insurance only. They do NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services. The expected benefit ratio for these policies is at least 50%. This ratio is the portion of future premiums that MetLife expects to return as benefits when averaged over all people with the applicable policy.

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