

Buy-Sell Planning



MetLife®

You're working hard today to build your business. And with careful planning, you're looking forward to a bright and successful future. But what happens to your business if you or another owner dies, becomes disabled, or just wants to retire?

Succession planning helps you control and protect the future of your business. But you need to develop plans today, not tomorrow when it may be too late.

The Strategy

If you wish to sell your business or your ownership interest, consider establishing a buy-sell agreement funded with life insurance.

A buy-sell agreement gives you the opportunity to determine who takes over the business; whether it be family members, remaining partners or key employees. A buy-sell agreement funded with life insurance can also keep the business stable while business transition is underway.

How Does a Buy-Sell Agreement Work?

Life insurance is purchased on the life of the business owner, or several business owners. The owner and beneficiary of the life insurance coverage is usually an individual or the business.

Upon the death, disability or retirement of an owner, the buy-sell agreement can:

1. Identify the purchaser, price, and payment terms for the sale of the business.
2. Utilize any policy cash values or death benefits consistent with your agreement.

Advantages to You and Your Successor

Immediate Liquidity: Permanent life insurance cash values and death benefits are readily available to fund business sales.

Cost-Efficiency: Life insurance is a cost-efficient vehicle to fund business sales which may occur during life or at death.

Stability: An orderly transfer of your business. Management remains stable.



Protect the future of your business
by planning today.

Advantages to Heirs

Protects Your Investment: A buy-sell agreement fully funded with life insurance converts your business interest into cash upon death.

Avoids a Forced Sale: A properly funded buy-sell agreement avoids the risk of a forced sale upon death.

Family Protection: Buy-sell proceeds can be used for family income needs and estate settlement costs.

Disadvantages of a Buy-Sell Agreement

Costs: The cost of attorneys fees and a business valuation.

Binding Obligation: Once executed, a buy-sell agreement can be an irrevocable, binding obligation.

IRS Audit: A buy-sell agreement does not guarantee complete protection from an IRS challenge on valuation issues.

Any loans or withdrawals will decrease the cash value and death benefit.

MetLife Investors offers a complete portfolio of life insurance products. We're proud to be one of America's most trusted financial institutions. Our careful risk selection provides you with competitive products to fund your buy-sell agreement. ■

This document is designed to provide introductory information on the subject matter. MetLife Investors does not provide tax and legal advice.

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. You should seek advice based on your particular circumstances from an independent tax advisor.

Variable universal life insurance (VUL) is underwritten by MetLife Investors Insurance Company on Policy Form Series CLP001 and CP002 and MetLife Investors Insurance Company of California on Policy Form Series CCP00104 and CCP00204. Guarantee Advantage Universal Life (GAUL) is issued by MetLife Investors USA Insurance Company on Policy Form Series 5E-30-04 and, in New York, only by Metropolitan Life Insurance Company, New York, 200 Park Avenue, New York, NY 10166 on Policy Form Series 1E-30-04-NY. Legacy Advantage Survivorship Universal Life (LASUL) is issued by MetLife Investors USA Insurance Company on Policy Form Series 5E-32-05 and, in New York, only by Metropolitan Life Insurance Company on Policy Form Series 1E-32-05-NY. Universal Advantage Universal Life (UAUL) is issued by MetLife Investors USA Insurance Company on Policy Form Series 5E-31-05 and, in New York, only by Metropolitan Life Insurance Company on Policy Form Series 1E-31-05-NY. Corporate owned life insurance (COLI) is issued by New England Life Insurance Company on Policy Form Series NEV-14. All guarantees are based on the claims paying ability of the issuing insurance company. Products are distributed by MetLife Investors Distribution Company (MetLife Investors), 5 Park Plaza, Suite 1900, Irvine, CA 92614. November 2005.

Prospectuses for variable life insurance issued and/or distributed by a MetLife Investors insurance company, and for the investment portfolios offered thereunder, are available from MetLife Investors. The prospectuses contain information about the contract's features, risks, charges and expenses, and the investment objectives, risks and policies of the underlying portfolios, as well as other information about the underlying fund choices. Clients should read the prospectuses and consider this information carefully before investing. Product availability and features may vary by state.

MetLife Investors variable life insurance has limitations. There is no guarantee that any of the variable investment options in this product will meet their stated goals or objectives. The account value is subject to market fluctuations so that, when withdrawn or annuitized, it may be worth more or less than its original value. All product guarantees are based on the claims-paying ability of the issuing insurance company.

For a non-MEC policy, income taxes are due upon withdrawal, only to the extent that they exceed basis. For a MEC policy, income taxes are due upon withdrawal and if withdrawn before age 59½, a 10% penalty tax may apply. Loaned amounts are generally not subject to income taxation.

Loans or withdrawals will decrease the cash value and death benefit.

Life insurance is medically underwritten, so all candidates should be in reasonably good health. You should not cancel your current coverage until your new coverage is in force. Surrender charges may be due on an exchange of one contract for another. A change in policy may require an examination. Surrenders may be taxable. There may be partial and/or full surrender charges for early withdrawal from life insurance.

- 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

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