



MARKETING TO BUSINESS OWNERS

Strategy Guide



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TRANSAMERICA HELPS YOU UNLOCK THE BUSINESS OWNER MARKET

Marketing life insurance to small businesses is a lot like running a small business itself. The key is in building relationships and trust. The more you know about your small business prospects, the easier it will be to build trust and present strategies that make sense. This strategy guide was developed to help you do just that, by helping you better understand your small business prospects and help you open the door to this rewarding market.

Studies show that small businesses typically go through three distinct phases during their lifetime:

- Phase I: Start-Up
- Phase II: Growth and Maturity
- Phase III: Disposition

A key to building stronger relationships with prospects, and making better product recommendations in the process, is to recognize the stage of the business. Identifying your prospect's stage will allow you to use our Marketing to Business Owners Resources to help you:

- Identify specific planning objectives
- Offer strategies to help meet their goals
- Offer accurate product recommendations

Visit the [Business Planning](#) section of TransACT® for valuable resources about how careful planning with life insurance can help sustain and protect a closely held business.

For more information on how Transamerica can help you work with small-business clients, contact the [Advanced Marketing Team](#) at (877) 236-6758.

Phase I: Start-Up

Planning Needs:

These businesses are most concerned with cash flow and survivorship needs—what they need to do to protect their family and business.

Sales Strategy:

Provide basic education on the needs of their business, importance of insurance, and different types of benefits.

Phase II: Growth and Maturity

Planning Needs:

For businesses in this phase, the focus is more on retirement than on life insurance needs. They are also looking for flexibility to access funds, if necessary.

Sales Strategy:

Provide in-depth education about retirement planning using insurance. It may also be helpful to introduce them to the basics of estate planning and business continuation planning.

Phase III: Disposition

Planning Needs:

These businesses are most concerned about estate planning (such as ensuring they have enough money to pay estate taxes) and business continuation planning (to whom they will pass on the business).

Sales Strategy:

Provide education and serve as a resource for estate planning and business continuation planning, making sure they have all the necessary documents in place (such as a will, trust, ILIT, business succession plan, etc.), and provide tax-minimizing strategies.

Phase I: Start-Up

	Business Owner Need	Strategy	Benefits	Resources	Related Products
Basic Planning	Review current life insurance coverage to ensure it meets their changing goals.	<p>Life Insurance Checkup Allows you to provide the most effective life insurance strategies to match clients' unique goals. It also provides a valuable opportunity to assess both business and family insurance objectives.</p>	<ul style="list-style-type: none"> Assures that policies purchased years ago coincide with current goals. Aligns current financial goals with life insurance needs. Alerts clients of impending term policy premium increases or additional premium requirements to continue coverage on cash value policies. 	<p>Insurance Review Kit:</p> <ul style="list-style-type: none"> Producer Brochure Consumer Brochure Consumer Worksheet Producer Prospect Tracking Sheet Client Preapproach Letter Phone Script 	<p>Trendsetter® Super Series</p> <p>TransACE®</p> <p>TransUltra®</p> <p>TransACE Survivor® 2008</p>
Business Planning	Plan for current and future success of the business by preparing for death, disability, and retirement of key employees.	<p>Business Needs Planning Create a plan that enables the owner and the business to weather a variety of unforeseen situations and emerge from such business-changing events in a stronger and more successful position.</p> <p>Key Person Coverage Provide essential funds to help businesses transition smoothly from the loss of key personnel.</p>	<p>Clients can track the factors that are important to them as small business owners, individualized concerns such as:</p> <ul style="list-style-type: none"> Retaining employees with attractive benefits Protecting against unforeseen risks in planning for their future Ensuring business continuation 	<p>Business Needs Planning Checklist</p> <p>Business Needs Planning Guide</p> <p>Key Person Coverage Consumer Brochure (PDF)</p>	<p>Trendsetter® Super Series</p> <p>TransACE®</p> <p>TransUltra®</p>

Phase II: Growth and Maturity

	Business Owner Need	Strategy	Benefits	Resources	Related Products
<p>Executive Benefits</p>	<p>Attract, recruit, and retain quality employees. Establish competitive retirement packages for business owner and employees. Offer exclusive retirement benefits for company’s executives.</p>	<p>401(k) Look-Alike Because it is not a qualified plan, the 401(k) look-alike plan allows small businesses to design a competitive supplemental retirement benefit without being subject to all of the ERISA requirements.</p> <p>Deferred Compensation Employers can recruit and retain key employees by offering them a valuable financial perk—supplemental retirement benefits that grow tax-deferred.</p> <p>Executive Bonus Assists businesses in their effort to attract and retain quality top-level employees by providing executives an exclusive benefit that offers them both insurance protection and tax-deferred retirement savings.</p> <p>Restricted Executive Bonus Arrangement (REBA) Allows an employer to determine when executives will be able to access their executive benefits, typically based on an event or years of service.</p> <p>Section 457 Plan Allows not-for-profit organizations to offer a combination of tax-deferred qualified and nonqualified retirement plans.</p> <p>Split-Dollar Arrangements An agreement between the employer and executive to purchase life insurance. Using the endorsement method, the employer purchases, holds ownership, and makes the premium payments due on the policy. At the executive’s death, the proceeds are split between the employer and the employee’s beneficiaries.</p>	<p>The Employer:</p> <ul style="list-style-type: none"> ■ Adds an attractive tool for recruiting, retaining, and rewarding talented executives with additional retirement income. ■ Provides select employees with attractive pre- and post-retirement benefits. ■ Gains potential income tax deductions. ■ Incurs minimal plan setup costs. ■ Distinguishes its compensation package. <p>The Executive:</p> <ul style="list-style-type: none"> ■ Provides income tax-free death benefit protection for named beneficiaries, dependent on the plan. ■ Acquires an additional source of retirement income. ■ Enjoys tax-deferred supplemental retirement savings. 	<p>Deferred Compensation Program Highlights & Fact Finder (PDF)</p> <p>Deferred Compensation Consumer Presentation (PPT)</p> <p>Executive Bonus Consumer Brochure (PDF)</p> <p>Executive Bonus Consumer Presentation (PPT)</p> <p>REBA Program Highlights & Fact Finder (PDF)</p> <p>REBA Consumer Presentation (PPT)</p>	<p>TransAccumulator® VUL II</p> <p>TransUltra®</p>

Phase II: Growth and Maturity (continued)

	Business Owner Need	Strategy	Benefits	Resources	Related Products
<p>Retirement Planning</p>	<p>Provide employer and employees a qualified retirement savings plan. Increase income tax deductions for employer by contributing to qualified retirement plan.</p>	<p>412(e)(3) Defined Benefit Plan A 412(e)(3) plan (formerly called 412(i)) is a defined benefit qualified retirement plan, often referred to as a fully insured plan because its investments are restricted to guaranteed annuities and life insurance policies.</p> <p>Split-Funded Defined Benefit Plan This is a traditional defined benefit plan that may direct a percentage of its annual contributions to purchase life insurance. Often, these plans are layered on top of a profit-sharing plan, 401(k), or both.</p>	<ul style="list-style-type: none"> ■ Plans are easy to understand and administer. ■ The 412(e)(3) plan’s structure ensures that it is never underfunded, as can happen with traditional defined benefit plans. ■ Plan assets grow tax-deferred. ■ The life insurance policy purchased by the plan provides a self-completing element, should the business owner suffer a premature death. ■ Split-funded plan is not restricted to investing in guaranteed insurance policies. ■ Split-funded plan allows for large, tax-deductible contributions, with the ability to take advantage of growth in the stock market. 	<p>412(e)(3) Consumer Presentation (PPT)</p> <p>412(e)(3) Client Profile (PDF)</p> <p>412(e)(3) Consumer Brochure (PDF)</p> <p>412(e)(3) Preapproach Letter (DOC)</p> <p>412(e)(3) Producer Guide (PDF)</p> <p>412(e)(3) Program Highlights & Fact Finder (PDF)</p> <p>Transferability Comparison (PDF)</p> <p>Split-Funded Producer Presentation (PPT)</p> <p>Split-Funded Consumer Brochure (PDF)</p> <p>Split-Funded Defined Benefit Producer Flyer (PDF)</p> <p>Split-Funded Preferred Third-Party Administrators (PDF)</p> <p>Split-Funded Program Highlights & Fact Finder (PDF)</p>	<p>TransSecure® II</p> <p>TransFreedom® II</p>
		<p>TransSolutionSM Asset Optimization This strategy allows business owners to leverage their inactive, unprotected assets through a tax-deferred vehicle, while potentially protecting those assets from creditors.</p>	<ul style="list-style-type: none"> ■ May provide retirement income ■ Potential creditor protection ■ Income tax–deferred accumulation of policy cash values ■ Federal income tax–free policy death benefit 	<p>TransSolutionSM Program Highlights (PDF)</p>	<p>TransUltra® SP 2006</p>

Phase III: Disposition

	Business Owner Need	Strategy	Benefits	Resources	Related Products
Business Succession	Provide strategies for estate planning, survivorship needs, and business continuation in the event of business owner's death.	<p>Cross-Purchase Agreement In a cross-purchase agreement, multiple business owners agree to collectively purchase the interest of a deceased owner.</p> <p>Entity Purchase Agreement In an entity purchase agreement, also known as a stock redemption for corporations, the business itself will enter into an agreement with each owner to purchase the deceased owner's business interest.</p> <p>Combination Buy-Sell Agreement With this arrangement—in addition to establishing a traditional buy-sell agreement for the business—the owners establish a separate general partnership. The partnership owns and names itself beneficiary of life insurance policies insuring the lives of the owners.</p>	<ul style="list-style-type: none"> ■ Provide for the orderly transfer of the decedent's business interest based on a fair value, determined in advance of the business owner's death. ■ Allows all partners to agree in advance how the business will be valued, so the surviving partners can buy out the remaining share at a fair price. ■ By purchasing life insurance on the lives of the business partners for the value of their share, the heirs of the deceased owner can be assured of timely payment for their share of the business. ■ Life insurance provides the partners the peace of mind of knowing that buying out a decedent's share of the business won't put a strain on the business's cash flow or force them to sell off assets to pay the bills. 	<p>Business Succession Planning with S Corps Producer Guide (PDF)</p> <p>Buy-Sell Agreements Comparison Chart (PDF)</p> <p>Buy-Sell Agreements Consumer Preapproach Letter (DOC)</p> <p>Combination Buy-Sell Producer Guide (PDF)</p> <p>Business Succession Consumer Brochure (PDF)</p> <p>Business Succession Consumer Presentation (PPT)</p> <p>Continuing the Family Business Producer Brochure (PDF)</p> <p>Family Business Succession Planning Article Reprint (PDF)</p>	<p>Trendsetter® Super Series</p> <p>Trendsetter® ROP 30</p> <p>TransACE®</p>

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