

## BUSINESS CASES

# Business owners life insurance guide

Designed for BGAs and Advisors: Helping your clients protect their businesses with confidence

Our business-owned life insurance approaches are tailored to provide seamless processes, competitive underwriting and reliable coverage that help empower your clients to make informed decisions.

This guide is designed to clarify our processes, underwriting advantages and why you should choose Banner Life Insurance Company and William Penn Life Insurance Company of New York (The Banner Life family of companies) as your go-to carriers for business-related life insurance cases.

## Business loan insurance overview

### How we support business loans

- We offer life insurance coverage up to 80% of uncollateralized loans and 100% if assigned as collateral.
- For SBA 7(a) loans up to \$5M, no personal financial statements are required — only the approval document.
- Our process ensures policies align with business financing needs, avoiding delays in loan approvals.

## Application and underwriting process

### Required information:

- Business details (name, tax ID, address, type of business).
- Loan details (amount, purpose, duration).
- Business financial history and tax filings.

### Collateral assignment process:

- Policy must be placed in force before assignment.
- Submit Collateral Assignment Form with proof of identification.
- If business-owned, an authorized officer must sign the assignment.
- How we approach financial underwriting and business valuation
- Flexible financial justifications: Competitive evaluation of business financials.
- Business valuation multiples:
  - 1x sales revenue
  - 10-15x net earnings
  - 4-5x EBITDA

## Buy-sell insurance

### Structuring buy-sell agreements with confidence

- Entity purchase agreements: The company funds the policy for all owners.
- Cross-purchase agreements: Individual owners purchase policies on each other.
- We provide competitive financial underwriting, making high-value policies easier to secure.

### Key application requirements

#### Required information:

- Business details (name, tax ID, ownership structure).
- Percentage share of ownership.
- Business financial documents supporting valuation.

#### Signatory requirements:

- If equal 50/50 share split, partners sign for each other.
- If unequal, majority shareholder signs for all except their own.
- A President, CFO or authorized officer signs for the majority shareholder.

#### Beneficiary designation:

- Business or business partners, as dictated by the buy-sell agreement.

## Key person insurance

### Ensuring business continuity for your clients

- Key Person life insurance protects against financial loss from the unexpected passing of a crucial executive.
- We offer key person multipliers up to 20x an applicant's annual income.
- We work with advisors to ensure policies align with business stability goals.

### Key application requirements

#### Required information:

- Business details (name, tax ID, address, type of business).
- Key person's role, contribution, and financial impact.
- Business financial statements for underwriting.

#### Signatory requirements:

- Must be one of the following:
  - Proposed Insured
  - Equal Partner (50/50 split)
  - Majority Shareholder
  - Officer of the Business (CEO, CFO, etc.)

## Stock redemption insurance

### How we simplify stock redemption cases

- The corporation is always the Owner, Payor and Beneficiary.
- Our underwriting process ensures fair valuation of shares and expedited approvals.
- We require minimal paperwork, ensuring advisors can quickly secure coverage for their clients.

### Key application requirements

#### Required information:

- Business details (name, tax ID, ownership structure).
- Shareholder details and ownership percentage.
- Financial documentation supporting business valuation.

#### Collateral assignment process:

- If equal 50/50 share split, partners sign for each other.
- If unequal, majority shareholder signs for all except their own.
- A President, CFO or authorized officer signs for the majority shareholder.

**Let's grow together – connect with your team today to explore our business term life insurance solutions!**

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