LIVING BENEFIT BUY-SELL AGREEMENT

Protect the Future of Your Business

Mutual of Omaha
Protect Your Kingdom

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United of Omaha Life Insurance Company
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You've worked hard to build your business. How can you ensure that your business lasts well into the future?

Owning a business can be one of the most rewarding experiences in our lives. To build something from the ground up with hard work and passion that can be passed from one generation to the next can be a dream come true for many entrepreneurs. But if you own that business with a partner, it's vital that you consider what will happen to that business when one of you passes away.

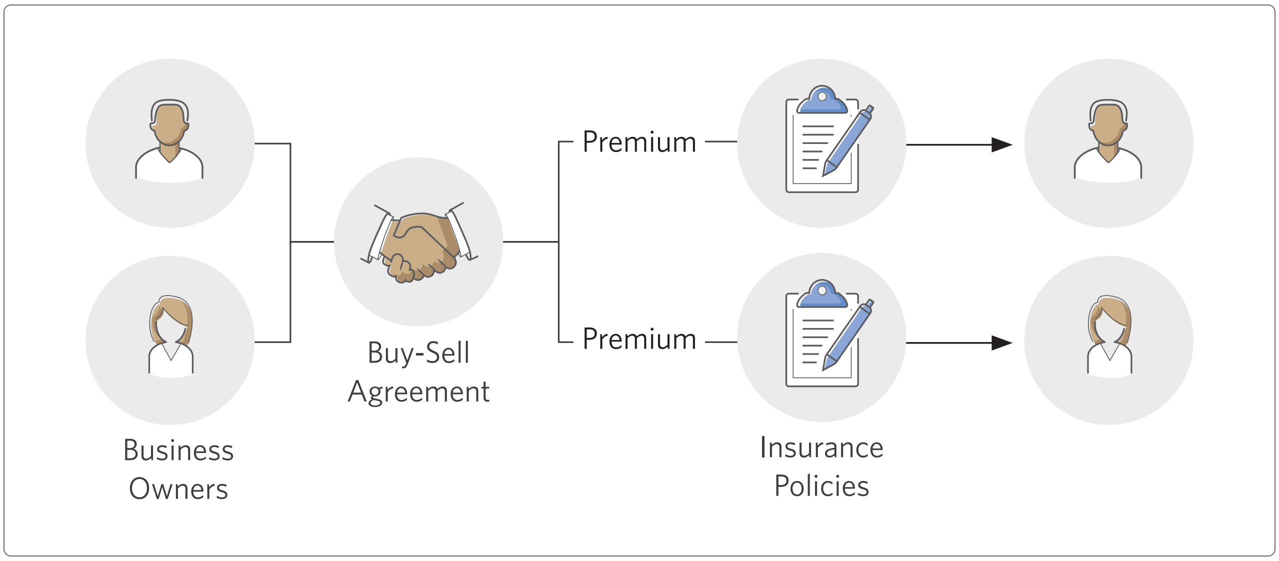
That's exactly what a buy-sell agreement is for. It takes the uncertainty out of the equation and helps you rest easy, knowing the business you've built will survive beyond the death of a partner.

But because there are many kinds of businesses and relationships between owners, there are a few different kinds of buy-sell agreements. One of them is a Living Benefit Buy-Sell Agreement. It lets business owners prepare for the best-case scenario, while still preparing for the worst.

How does a Living Benefit Buy-Sell Agreement work?

1. The business owners enter into a written buy-sell agreement committing to sell their interest and buy the interest of the other owner(s).
2. You and the other business owners own and are the insured on an individual life insurance policy. Each owner collaterally assigns some (or all) of the death benefit to the other owner(s) or names the other owner(s) as irrevocable beneficiary in a sufficient amount that allows the other owner to buy the business interest. The remaining death benefit can go to family or other beneficiaries.

   NOTE: If the buy-sell is designed to cover owners of a corporation, their assignment or irrevocable beneficiary will be to the corporation.
3. Doing so creates an economic benefit for each owner equal to the cost of basic coverage in the amount of the assigned portion of the death benefit (as defined in IRS Table 2001). Each owner recognizes that amount as taxable income.
4. As owner of their own policy, each business owner is free to fund the life insurance policy in whatever amount is desired to build a cash value that the owner can use, subject to any restrictions in the buy-sell agreement. The owner can use that cash to supplement his or her individual retirement, buy out retiring or departing co-owners, handle family expenses such as tuition, or any other purpose not limited by the buy-sell agreement.
5. Most business owners retire from their business, so it's good to be prepared for your co-owner's retirement as well as having financial protection against an owner's death. This form of buy-sell allows flexibility to provide for those possibilities.



Benefits of a Living Benefit Buy-Sell Agreement

- Personal ownership of your policy — you name the beneficiary and control the cash value. Any death benefit not committed to the buy-sell agreement can go to family or other personal beneficiaries
- Younger and healthier owners aren't required to pay premiums on older and less healthy business partners as they might be with a cross purchase buy-sell agreement
- You can fund your own policy at a higher level to build greater cash value for your future use
- Policy is portable — if the business ends or you retire, you still retain the policy and any cash value
- As an individually owned policy, it may be protected against business creditors
- The business owners can prepare for the best while protecting themselves and their business against the worst

A Living Benefit Buy-Sell Agreement allows you to plan and protect the future of your business on your own terms. Talk with your advisor/producer about how this agreement might work for you.

Why Mutual of Omaha

Over 50 years of Mutual of Omaha's Wild Kingdom taught us that the animal kingdom and the human kingdom have something in common ... an instinct to protect what matters most. Through insurance and financial products, we help people protect their lives, protect their families, protect their kingdoms.

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