Business owners
One-way buy-sell arrangement

Insurance products issued by:
Minnesota Life Insurance Company and
Securian Life Insurance Company

Use a one-way buy-sell for a more certain future

If you are a sole business owner, you may be concerned about the continuity of your business should you die unexpectedly. A one-way buy-sell arrangement can help you prepare for the continued success of your company after you're gone.

A one-way buy-sell arrangement is an agreement between the sole owner of a company and a key individual the owner wants to take over the business upon their unexpected death. The key individual uses the death benefit proceeds to purchase the deceased owner's share.

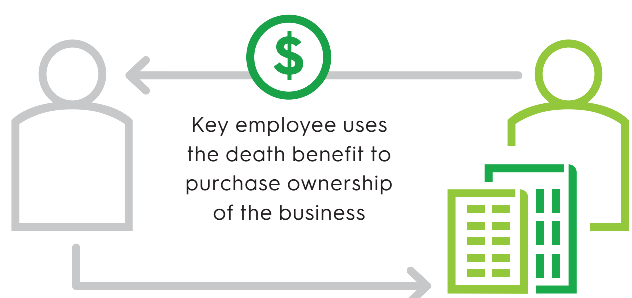
How it works

SETUP

1 The sole owner of a business enters into a buy-sell arrangement with either a key employee or a family member. The key employee or family member is the owner and beneficiary of a policy on the business owner.

2 The business bonuses premium payments to the key employee.

DEATH OF A BUSINESS OWNER



3 Upon death of the business owner, the key employee or family member is required to purchase ownership of the business from the estate of the deceased owner.

4 The key employee or business owner then becomes sole owner of the business.

Benefits

- Relatively simple
- Gives key person certainty that he or she can buy business (helps align key person with business owner's objectives)
- Cash value of policy can provide source of collateral for a lifetime buyout
- Owner can do double-bonus extra to cover taxes for key employee

Considerations

- Important to specify what happens to policy if key employee decides to walk away
- Employee has to pay income taxes on bonus
- Another way to structure a one-way buy-sell may be to use a form of split-dollar arrangement

To learn how a one-way buy-sell arrangement can help provide you and your business a more certain future, contact your financial professional today.

This information is a general discussion of the relevant federal tax laws. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. This information is provided to support the promotion or marketing of ideas that may benefit a taxpayer. Taxpayers should seek the advice of their own tax and legal advisors regarding any tax and legal issues applicable to their specific circumstances.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first fifteen years of the contract. You should consult your tax advisor when considering taking a policy loan or withdrawal.

Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its affiliates.

securian FINANCIAL™

INSURANCE
INVESTMENTS
RETIREMENT

securian.com

400 Robert Street North, St. Paul, MN 55101-2098

F71834-104 Rev 8-2018 DOFU 8-2018
552663