



NATIONWIDE® BUSINESS SOLUTIONS GROUP

Elevate your sales with the Nationwide® business valuation tool

Take business succession planning to the next level

All too often, business owners fail to understand the real value of their businesses. When the real value of a business is unknown, many owners will use an estimate instead of a valuation, which can dramatically impact the outcome of a business plan. You can help your business clients get a more accurate value with the Nationwide business valuation tool. With it, you can:

Show a comparison of the available business-valuation methods

Provide a reasonable estimate of your client's business value

Uncover potential funding deficits in your client's current plans

There's no charge for this service. We're able to provide estimates for businesses with a minimum of \$2 million in annual sales or a book value of \$500,000.

Explore a potential scenario

An advisor met with a partner from a midsize law firm for a personal insurance review. In this meeting, they ended up discussing the structure of the firm, the shareholders' agreement and what happens when a shareholder dies, becomes disabled or retires.

The firm had a large amount of cash earmarked to fund buyouts. The advisor explained how the firm could reposition nearly \$400,000 a year into corporate-owned life insurance — in this case, Future Executive UL from Nationwide — on the lives of the shareholders to implement a stock redemption strategy. The strategy would provide both liquidity if a shareholder dies and a higher yield than the current savings account.

The shareholders estimated the firm's value to be \$4 million. To avoid any redemption deficits, the advisor recommended an informal valuation using the Nationwide business valuation tool. The tool evaluated the firm against industry standards and estimated its value at \$6.2 million¹ — \$2.2 million higher than the shareholders' original estimate — which resulted in more accurate funding of the stock redemption strategy.

- The need for a stock redemption strategy was uncovered during a partner's personal insurance review
- The firm repositioned more than \$2.7 million of corporate cash from a low-return savings account to Future Executive UL, which can provide the life insurance cash value and death benefit proceeds for liquidity to fund redemption needs, as well as a higher yield
- The business valuation tool provided an informal valuation that was significantly higher than the firm's estimate, resulting in more accurate funding of the strategy

¹ The business's valuation may change at any time, as it is never static.

Take a closer look

With Future Executive UL, the firm can take advantage of guaranteed issue underwriting for its shareholders. An annual premium of \$396,118 for seven years secures \$6.2 million in death benefit coverage and provides a positive internal rate of return (IRR) beginning at the end of year one.

Policy year	Net outlay	Cash surrender value	Net death benefit	Annual return	Accumulated IRR
1	\$396,118	400,235	6,200,000	1.04%	1.04%
2	\$396,118	807,303	6,200,000	1.38%	1.26%
3	\$396,118	1,219,852	6,200,000	1.37%	1.31%
4	\$396,118	1,637,734	6,200,000	1.35%	1.33%
5	\$396,118	2,060,188	6,200,000	1.29%	1.32%
6	\$396,118	2,503,874	6,200,000	1.94%	1.49%
7	\$396,118	2,956,260	6,345,628	1.94%	1.60%
8	0	3,005,922	6,306,429	1.68%	1.62%
9	0	3,054,190	6,281,611	1.61%	1.62%
10	0	3,097,160	6,253,528	1.41%	1.59%
11	0	3,140,533	6,238,933	1.40%	1.56%
12	0	3,192,951	6,232,765	1.67%	1.57%
13	0	3,285,821	6,244,218	2.91%	1.71%
14	0	3,381,884	6,256,269	2.92%	1.82%
15	0	3,481,181	6,272,036	2.94%	1.91%
16	0	3,583,580	6,294,972	2.94%	1.99%
17	0	3,688,521	6,319,807	2.93%	2.05%
18	0	3,795,534	6,343,114	2.90%	2.11%
19	0	3,903,897	6,373,013	2.86%	2.16%
20	0	4,013,482	6,398,984	2.81%	2.19%
Total	\$2,772,826				

This example is hypothetical and not intended to represent any specific client or client situation. The assumptions we used are for illustrative purposes; actual results may vary. It is based on Future Executive UL, which is not available in every state, and reflects nonmedical issue underwriting for 21 insureds. It also reflects Death Benefit Option 1 (level) and a nonguaranteed interest rate of 3.85%.



Take the next step

Contact **Nationwide Business Solutions Group** at **1-877-351-8808** to learn more.

This material is not a recommendation to buy, sell, hold or roll over any asset, adopt a financial strategy or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Clients should work with their financial professional to discuss their specific situation.

Be sure to choose a strategy and product that are suitable for the long-term goals of both the business and its employees. Life insurance has fees and charges associated with it, which include costs of insurance and administration fees.

Products issued by Nationwide Life Insurance Company, Columbus, Ohio.

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