



## WHICH SCENARIO WOULD YOUR CLIENT PREFER?



### ❶ FORCED LIQUIDATION?



### ❷ PLANNED LIQUIDATION?

#### THE DIFFERENCE BETWEEN THE TWO COULD BE YOUR CLIENT'S LIFE INSURANCE POLICY

When business liquidation is the only course of action at an owner's death, life insurance can provide the funds that make the difference between a planned liquidation and a financially-disastrous forced liquidation. Consider the following ways life insurance can be put to use in the planned liquidation of a business.

#### ESTATE SETTLEMENT

Life insurance proceeds can be used to pay estate taxes and other estate settlement costs, allowing the liquidation to proceed on an orderly basis.

#### FAMILY INCOME

Using life insurance proceeds to provide the surviving family with a continuing income can avoid a forced liquidation of business assets for this purpose.

#### WORKING CAPITAL

If the executor needs additional cash to temporarily operate the business, life insurance can serve as the source of that cash.

#### OFFSET SHRINKAGE

Even a planned liquidation will usually result in some shrinkage in value, as compared to what the business was worth as a going concern. Life insurance can be used to replace the value lost in the liquidation.

*Life insurance can provide the cash needed to avoid a forced liquidation and will be available exactly when needed—at the business owner's death.*

