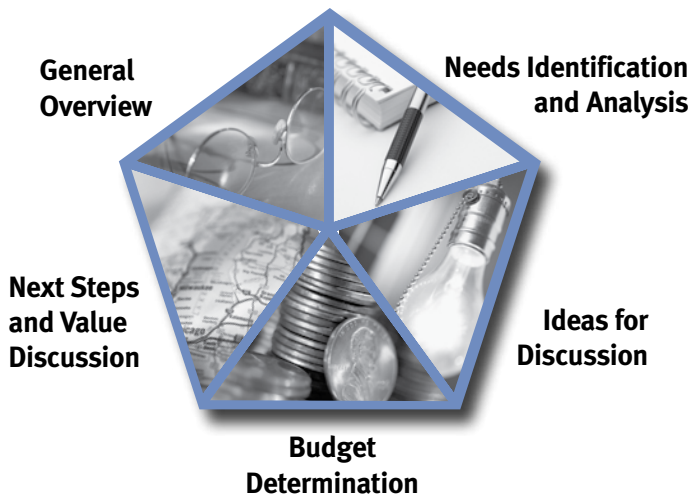


MUTUAL OF OMAHA INSURANCE COMPANY
UNITED OF OMAHA LIFE INSURANCE COMPANY
COMPANION LIFE INSURANCE COMPANY

Planning for the Financial Future of Your Business



CONFIDENTIAL INFORMATION



Identifying Needs...

Newer Firms:

- Getting established
- 1-5 years in existence
- Securing a market for products and services
- Basic Needs include:
 - Liability coverage
 - Debt coverage
 - Income protection

Growing Firms:

- Looking for new opportunities to expand
- 5-15 years in existence
- Basic Needs include:
 - Succession planning
 - Identify and reward key employees
 - Expand basic employee benefits to include retirement plans

Mature Firms:

- Looking to pass business on to next generation
- 15+ years in existence
- Stabilizing markets or looking to find new opportunities
- Basic Needs include:
 - Estate planning
 - Management succession

Creating a Plan...

Planning for the future of your business involves big-picture thinking. Elements of planning include making contingency plans if you are unable to run the business or retire, looking for ways to attract and retain employees, and considering innovative benefit solutions to incent key employees.

To help ease the burden, Mutual of Omaha offers the following products/services:

Products/Services

- Salary Continuation
- Deferred Compensation
- Section 162 Executive Bonus
- Pension/Profit Sharing Plans
- 401(k)
- Simple
- IRA/TSA/SEP
- Funding for business continuation plans
- Key Employee Life
- Business Overhead Expense

Note that all data collected within the questionnaire is confidential and will be used to create a plan personalized for your specific business needs and goals.

Let's Get to the Facts...

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Client Name: _____ Phone: _____

Business Data

"Your most important asset, may also be your greatest risk."

1

Business Name _____

Address _____ Phone/Fax _____

City, State, Zip Code _____ E-mail _____

Form of Business:

Sole Proprietorship Partnership Corporation: ___ C ___ S ___ PC ___ Limited Liability Company (LLC) ___ Other

What does business do? _____

Tax Year End _____ Date of Incorporation (if applicable) _____

How did you start your business? _____

What do you enjoy most about your profession? _____

Are you an association member, e.g., National Small Business Association (NSBA)? Yes No

What is your business' marginal tax bracket? _____ (See "Reference" section)

Business Concerns

*"Don't leave your business without a plan...
plan for success by prioritizing your needs and objectives."*

2

Rank the following business concerns 1 (very low) through 9 (very high)

_____ Expansion: Cash flow, credit lines and business surplus are available to help your business expand and grow

_____ Transfer: Sell, retain or liquidate your business at retirement, disability or death aided by your business structure

_____ Tax Advantage: Business deductions, tax savings that you are entitled to that are appropriate for you and your business

_____ Personal Benefits: Business dollars for personal needs where appropriate

_____ Recruiting Needs: Employee benefits aid in recruiting and retaining key employees

Other typical business concerns:

_____ Excess business debt

_____ All types of taxes

_____ The cost of both mandatory and optional employee benefits

Today, what are the three greatest challenges to your business? e.g., retaining valuable employees _____

What are your goals for your business?

(a) Short-term (next 3 months) _____

(b) Intermediate (3 months to 1 year) _____

(c) Long-term (1 or more years) _____

Owner(s)/Key Employee(s)

*“Odds of at least one death in a three-owner business before age 65 at ages 35-40-45:
If male 35.8%; If female 29.4%.”*

2007 Field Guide, page 195 “Odds of Death Before Age 65”

a. Owners/Key Employees

| Name | Age | Percentage Ownership | Annual Income | Personal Tax Bracket | Marital Status | Number of Dependents |
|------|-----|----------------------|---------------|----------------------|----------------|----------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Who else has an ownership interest in the business (e.g., parent, sibling, spouse)? _____

Are any owners related? Yes No What is the relationship? _____

Are all owners in good health? Yes No If no, in general describe _____

b. Key Person Life Insurance Coverage (complete just one)

Years to protect _____ Contribution to sales _____% Contribution to profits _____%

Replacement Cost: _____ Inducement \$_____ Training \$_____ Opportunity \$_____

c. Salary Continuation

At an owner’s disability, will salary/draw be continued? Yes No How much? \$_____ How long? _____

At a key employee’s disability, will salary be continued? Yes No How much? \$_____ How long? _____

At another employee’s disability, will salary be continued? Yes No How much? \$_____ How long? _____

Is your plan written? Yes No How is your plan presently funded? _____

d. Business Overhead

How would your business continue to operate if *you* were to become disabled? _____

In the event of your or another owner’s disability, would additional funds be needed to help the business pay for normal operating expenses? Yes No How much? \$_____ How long? _____

e. Business Continuation

What specific plans have you made for the continuation of your business? i.e. what is your exit strategy? _____

When you retire, become disabled or die, what do you want to happen to your business interest? Retain Sell Liquidate

When partner/owner retires, becomes disabled or dies, do you want to buy their interest? Yes No Have not yet considered

When do you plan to retire? _____ Have you designated successor management? Yes No Have not yet considered

1. If the business is to be retained...

Who could manage the business tomorrow? Spouse Child Key Employee Other _____

How will spouse/family receive income from the business? Salary Dividends Other _____

Will additional cash in the business be needed to smooth out the transition? _____

2. If the business is to be sold...

Who will buy the business? _____

Do you have a written plan to transfer your company ownership? Yes No Not sure

If yes, what is the agreed-upon sale price? \$ _____ How current is your plan? _____

How was the valuation determined? Owner’s Estimate Formula Estimate Other

How is the plan funded? _____

3. If the business is to be liquidated...

What price would liquidation bring? \$ _____

What arrangements have you made, if any, to make up the difference between this and the fair market value of your business? _____

In addition to using life insurance, have you considered using **Critical Illness** in your continuation plan?

Yes No Not sure



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f. Business/Personal Estate Planning

Do you have the basic estate planning documents?

- Will
- Living Will/Trust (Is trust funded?)
- Healthcare Power of Attorney
- Durable Power of Attorney

Do you have sufficient liquid assets to pay estate taxes and other costs? Yes No Not sure

Is the disposition of your business provided for in your will or trust agreement? Yes No Not sure

Have you considered **Long-Term Care** coverage to protect your estate's assets? Yes No Not sure



Business Valuation

“Valuation is an art, not a science...don’t leave valuation to chance...know all the relevant facts.”

\$ _____ **Owner’s Estimate = Average of A. and B.**

A. If you were to sell this business today, what is the least you would accept for it? \$ _____

B. If you were to buy this business, what is the most you would pay for it? \$ _____

\$ _____ **Formula Estimate (Information needed for the L5797 Worksheet)**

A. Average Book Value (3-5 years) = Assets – Liabilities \$ _____

B. Average before tax earnings (3-5 years) = Income – Expense \$ _____

C. Estimated rate of return on assets or alternate investments % _____ %

D. Number of years owner’s goodwill expected to last after sale of business _____

E. Salary expense required to replace owner \$ _____

F. Estimated rate of inflation % _____ %

G. Estimated rate of growth of business % _____ %

Do you have a recent valuation of your business? _____

How will your death or disability affect the operation of your business? _____

Financial Statements

Copy of Current Year Balance Sheet: Assets \$ _____ Liabilities \$ _____ Net Worth \$ _____

Copy of Income Statement: Net income most recent year \$ _____ Net income prior year \$ _____



Employee/Employer Benefits

“Nationally, employee benefits account for an additional 36.8% of payroll.”

Source: Statistical Abstracts of U.S., 2001, Table 3 (most recent available)

Number of Employees: Full Time _____ Part Time _____ Time Off Days: Vacation/Holidays _____ Sick _____
(Average # days/yr.)



| a. Type of Group Coverage | Company | Benefits | Amount of Premium | Date of Last Review |
|---------------------------|---------|----------|-------------------|---------------------|
| Medical | | | | |
| Dental | | | | |
| Life | | | | |
| Long-Term Disability | | | | |
| Other | | | | |

| b. Type of Individual Coverage | Company | Benefits | Amount of Premium | Date of Last Review |
|--------------------------------|---------|----------|-------------------|---------------------|
| Life | | | | |
| Long-Term Disability | | | | |
| Long-Term Care | | | | |
| Critical Illness | | | | |

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C. Company Contributions for Retirement Plans

\$ _____ 401(k)
\$ _____ SEP IRA
\$ _____ Profit Sharing
\$ _____ Defined Benefit
\$ _____ SIMPLE IRA

Company Premiums for Selective Benefits

Executive Bonus \$ _____ Life \$ _____ Disability
\$ _____ Deferred Compensation
\$ _____ Split Dollar
\$ _____ Disability Overhead
Key Employee \$ _____ Life \$ _____ Disability
\$ _____ Long-Term Care \$ _____ Critical Illness

Other Employee Benefit Plans

\$ _____ Worksite Plan
\$ _____ Premium Only Plan



- d. What benefit do you provide that is least understood by your employees? _____
What benefit is considered most important to your key employees? _____
What benefits could be improved? _____
Does your business have a pension plan? Yes No If yes, how does it work? _____
If no, would you be interested in looking at some ideas? Yes No
How do you reward your key employees? _____
Would you be interested in looking at some additional ideas? Yes No
Would you be interested in any ideas to provide more benefits to the owners and key employees? _____
If there was one thing you could change about your present plans, what would it be? _____

With whom do you consult before making important business decisions? _____
What separates your business from your competition? _____

Professional Advisers

“Know who you can trust.”



| | |
|---|---|
| Attorney _____ Address _____ Phone _____ | Insurance Agent _____ Address _____ Phone _____ |
| Accountant _____ Address _____ Phone _____ | Employee Benefits Consultant _____ Address _____ Phone _____ |
| Banker _____ Address _____ Phone _____ | Trust Officer _____ Address _____ Phone _____ |

Referrals

“Who do you know?” (Value Discussion)



1. _____
2. _____
3. _____
4. _____
5. _____

References:

Corporate Income Tax Rates
Tax Years Beginning in 2006



| Taxable Income | | | | | |
|----------------|--------------|------------|--------|----------------|--|
| Over | To | Tax Equals | Plus % | Of Excess Over | |
| 0 | \$50,000 | 0 | 15% | 0 | |
| 50,000 | \$75,000 | 7,500 | 25% | 50,000 | |
| 75,000 | \$100,000 | 13,750 | 34% | 75,000 | |
| 100,000 | \$335,000 | 22,250 | 39% | 100,000 | |
| 335,000 | \$10,000,000 | 113,900 | 34% | 335,000 | |
| 10,000,000 | \$15,000,000 | 3,400,000 | 35% | 10,000,000 | |
| 15,000,000 | \$18,333,333 | 5,150,000 | 38% | 15,000,000 | |
| 18,333,333 | | 6,416,667 | 35% | 18,333,333 | |

Personal Service Corporations are taxed at a flat rate of 35%.

Notes

For Producer Use Only:

- Key Employee – Complete Sections 1, 2, 3a., 3b., 5b., 5c., 5d.
- Executive Compensation – Complete Sections 1, 2, 3a., 3c., 5b., 5c., 5d.
- Business Continuation – Complete Sections 1, 2, 3a., 3e., 4, 5b., 5d.
- Business Loan – Complete Sections 1, 2, 3a., 5b., 5d.



MUTUAL OF OMAHA INSURANCE COMPANY

Mutual of Omaha Plaza
Omaha, NE 68175

Life insurance and Annuities underwritten by:

UNITED OF OMAHA LIFE INSURANCE COMPANY

Omaha, NE 68175

In New York, Life insurance and Annuities underwritten by:

COMPANION LIFE INSURANCE COMPANY

Hauppauge, NY 11788

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