



**Disability Buy Sell Valuation**

Proposed Insured:

Policy Number:

Proposed Owner:

Year-end date:

**Choose the following Factor that pertains to the proposed insured's occupation or business:**

- 8 - Incorporated commercial businesses (excludes Fee for Service Professionals & Farmers)
- 5 - Selected 4A Fee for Service Professionals: accountants (CA, CMA, CGA, only), actuaries, architects, chiropodists, professional engineers, lawyers, notaries (Quebec only), optometrists, pharmacists, physicians and surgeons, podiatrists, psychologists (with Ph.D. only) and dental specialists
- 4 - Farmers
- 4 - All other Fee for Service Professionals (corporations and partnerships), **excluding** insurance brokers, dentists and veterinarians
- 3 - Insurance brokers
- 2 - General dentists and veterinarians

**Calculation of Buy Sell Value of the Business Entity: use A or B depending on type of business**

**A. Partnership**

Net Income*, last fiscal year end:	20	\$	
Net Income*, previous fiscal year end:	20	+ \$	_____
<b>Total net income</b> for the last two years:		= \$	_____ /2 = \$
			<b>Adjusted Net Income</b>

**Calculation for Partnership**

$$\$ \text{_____} + ( \$ \text{_____} \times \text{Factor } \text{_____} ) = \$ \text{_____}$$

$$\text{Net Book Value}^{**} + (\text{Adjusted Net Income shown above} \times \text{Factor}) = \text{Total Value of Business 100\%}$$

\* Net Income is the "net income" figure shown on the income statement  
 \*\* Net Book Value is the total amount of the "Partner's Equity", or the sum of the "total assets" minus the "total liabilities", shown on the balance sheet for the last complete fiscal year-end.

**B. Incorporated Businesses**

Net after tax income, last fiscal year end:	20	\$	
Net after tax income, previous fiscal year end:	20	+ \$	_____
<b>Average net annual income</b> after tax for the last two years:		= \$	_____ /2 = \$
<b>Plus:</b> the greater of either 15% of the owners' salaries <b>OR</b> the amount of each owner's salary in excess of \$100,000, for the last complete fiscal year-end:			+ \$ _____
			<b>Adjusted Net Income:</b> = \$ _____

**Calculation for Incorporated Businesses**

$$\$ \text{_____} + ( \$ \text{_____} \times \text{Factor } \text{_____} ) = \$ \text{_____}$$

$$\text{Net Book Value}^* + (\text{Adjusted Net Income shown above} \times \text{Factor}) = \text{Total Value of Business 100\%}$$

\* Net Book Value is the total amount of the "Shareholder's Equity", or the sum of the "total assets" minus the "total liabilities", shown on the balance sheet for the last complete fiscal year-end.

**Complete following chart to determine insurable Buy Sell value for all applicants:**

Name of Partner/Shareholder & Policy Number	Ownership share - %	X	Total value of business	X	100% for monthly pay or 90% for flex funding	=	Insurable Buy Sell value for each owner
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$
	%	X	\$	X	%	=	\$

**Note:** It may be necessary to reduce the indemnity due to financial risk factor or other underwriting concerns (i.e. unstable industry, pending litigation, etc.).

- Benefits payable under any Buy Sell policy issued by the Company will be paid strictly according to the terms of that policy regardless of the terms of any Buy Sell agreement or any other insurance policy. To the extent that any agreement to which the Insured is or becomes a party requires purchase or sale under terms that differ from the terms of the Company's policy, the Insured may have liability that will not be funded by the Company.
- This Buy Sell Valuation shall be attached to and becomes a part of the contract of insurance.