LEGACY BUILDER FINANCIAL SERVICES

WEALTH. PRIDE. PEACE OF MIND.

BUSINESS OWNER WHITE PAPER · NOVEMBER 2026

Protecting the Business You Built

Twenty problems that can quietly threaten the family, the company, the partners and the legacy, and how to see them before they arrive.

A client education guide for

business owners and founders



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WEALTH. PRIDE. PEACE OF MIND.

All figures are hypothetical illustrations. Tax law as of November 17, 2026. Please review with your own CPA and licensed advisers.

EXECUTIVE SUMMARY

Your business may be your greatest asset and your biggest liquidity problem

Business owners carry two responsibilities at once: protecting the family and preserving the enterprise they built. This paper maps the risks that most often go unexamined.

52%
of classifiable U.S. employer businesses were majority-owned by people age 55 or older in 2020; owner age was unavailable for about 19% of businesses surveyed [9]

42%
In EPI's 2023 survey of 1,162 U.S. business owners, 42% reported having a written, formal business transition plan [10]

About 1 in 4
of today's 20-year-olds will become disabled before reaching retirement age, according to the Social Security Administration [11]

Seven ideas to remember

- **Owners have two jobs.** Protect the household, and keep the enterprise, its people and its lenders steady if something happens to you.
- **Paper wealth is not cash.** A valuable private company can coexist with a family that has little immediate liquidity, and the gap matters most at the worst moment.
- **There are twenty common problems in five pillars:** family, business, succession, wealth and legacy. Most owners recognize several of them, and few have examined all five.
- **A legal agreement without funding is a promise without cash.** Buy-sell terms, loan terms and trust terms each need a matching source of money and a matching owner.
- **Who owns it and who receives it changes the outcome.** A death benefit that is free of income tax is not automatically free of estate tax. [1][2]
- **The rules have moved recently.** A 2024 Supreme Court decision and a higher 2026 federal exclusion both change how owners should read their existing plans. [5][6]
- **Not every risk is an insurance risk.** The right answer may be a document, a reserve, a disability policy or a conversation with your lender. Diagnosis comes before design.

> **The core principle**
> Start with the problem, not a product. Identify who needs cash, when they need it and what is already in place. Only then does it make sense to discuss tools. A short, no-obligation review is how most owners begin.

THE OWNER'S PARADOX

Rich on paper, short on cash

Most of an owner's wealth sits inside a company that cannot be spent, split or sold on short notice.

HYPOTHETICAL OWNER: WHAT THE BALANCE SHEET SHOWS ($ millions)



Net worth on paper: about $6.6M

WHAT IS ACTUALLY AVAILABLE AS CASH WITHIN THE FIRST 90 DAYS

$0.6M	about 9% of net worth, before a $2.0M mortgage, payroll or a buyout

Assumed: $5.0M business value, $3.0M home less a $2.0M mortgage, $0.6M liquid savings. Not a forecast.

Three questions the balance sheet cannot answer

Question	Why it matters
Who needs cash?	A spouse, a surviving partner, a lender, employees, taxing authorities and heirs may all need money, at different times.
When do they need it?	Some needs arrive in days (payroll, vendors), some in months (loan reviews, estate filings) and some in years (an exit).
From where, without a forced sale?	Selling a business, or borrowing against it, in a crisis is rarely done on the owner's terms.

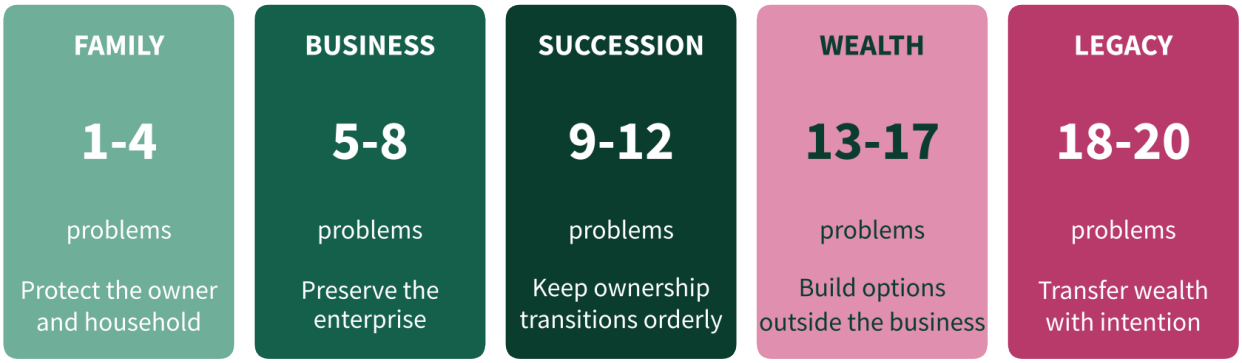
In the hypothetical above, the owner earns $500,000, owns a $5 million company and carries a $2 million mortgage. On paper the family is wealthy. In the first ninety days after a death or serious illness, the cash the household can reach is a small fraction of that wealth, while the demands on it are immediate. Strong balance sheets do not guarantee immediate household cash.

> **The question to sit with**
> "If your income stopped tomorrow, how long could your family cover expenses without selling or borrowing against the business?" The honest answer is the starting point of every good plan.

THE MAP

Twenty problems, five pillars

Business-owner risk is not one problem. It is a set of connected ones. Use this map to see where you may be exposed.



Pillar	The problems an owner may need to examine
Family	1 Premature death · 2 Mortgage and personal debt · 3 Illiquid business wealth · 4 Serious-illness risk
Business	5 Key-person loss · 6 Lender obligations · 7 Cash-flow interruption · 8 Stakeholder confidence
Succession	9 Partner death · 10 Unwanted new partner · 11 Unequal inheritance · 12 Unfunded succession
Wealth	13 Executive retention · 14 Employee protection · 15 Tax-aware accumulation · 16 Retirement concentration · 17 Access to capital
Legacy	18 Estate liquidity · 19 Generational transfer · 20 Charitable intent

How to use this paper

The next pages take each pillar in turn. They describe what tends to go wrong, why it is harder to see than it looks, and which questions a careful review should answer. They do not prescribe a structure, a product or a funding amount, because the right design depends on facts only you, your partners and your advisers have.

> **Where do you feel most exposed?**
> Protecting your income, keeping the company running, buying out a partner, taxes, or passing on your wealth? Whichever you chose, mark it as you read. The self-check on page 16 turns it into a short list.

PILLAR 1 · FAMILY

Protect the household before anything else

The first goal is to keep an owner's death or qualifying serious illness from becoming a family liquidity crisis.

#	Problem	What can go wrong
1	**Premature death**	The income that funds the household stops, while the obligations continue.
2	**Mortgage and personal debt**	Personal debts, and obligations the owner personally guaranteed, may fall on the family or the estate.
3	**Illiquid business wealth**	Heirs inherit value they cannot spend and may be pressed into a rushed sale of ownership or assets.
4	**Serious-illness risk**	A qualifying illness can reduce income long before a death. Optional policy riders may address it, but they are not disability insurance, and availability and definitions vary widely.

Illustrative case

An owner earns $500,000, carries a $2 million mortgage and owns a $5 million private company. Nothing about that balance sheet guarantees immediate cash for the household if the owner dies. The question is not "how much is enough?" as a multiple of salary. It is "what does this family actually need, and by when?"

What a careful review looks at

- Household spending and the real number of years of support needed.
- Debts, including personal guarantees, and who is responsible for them.
- Existing coverage: who owns it, who is named, when it ends and what it excludes.
- Income sources that would continue, and those that would not.

Why it is hard to see alone

- Group coverage through a business often ends when the business or the job does.
- Owners tend to count business value as family security, when it may be neither liquid nor transferable.
- Needs differ by age, children, spouse employment and health, so rules of thumb can mislead.

The principle: determine the family's actual liquidity need, not simply a multiple of salary. That is the first thing a review establishes.

PILLAR 2 · BUSINESS

Preserve the enterprise

The loss of a founder, or of someone essential to operations, can disrupt revenue, relationships and credit at the same time.



#	Problem	What can go wrong
5	**Key-person loss**	Revenue, relationships or know-how tied to one person leave with them, and replacing them takes time and money.
6	**Lender obligations**	Loan agreements can include insurance, guarantee or notice terms. For SBA-backed loans, SBA rules generally require owners of 20% or more to guarantee the loan. [12]
7	**Cash-flow interruption**	Payroll, vendors and rent continue while revenue is uncertain.
8	**Stakeholder confidence**	Lenders, customers and key employees decide quickly whether the company still looks stable.

A distinction owners often miss

Protection owned by the business serves the company. Protection owned personally serves the family. One is not automatically a substitute for the other, and who owns and who benefits changes both the tax and the practical result. [2][3]

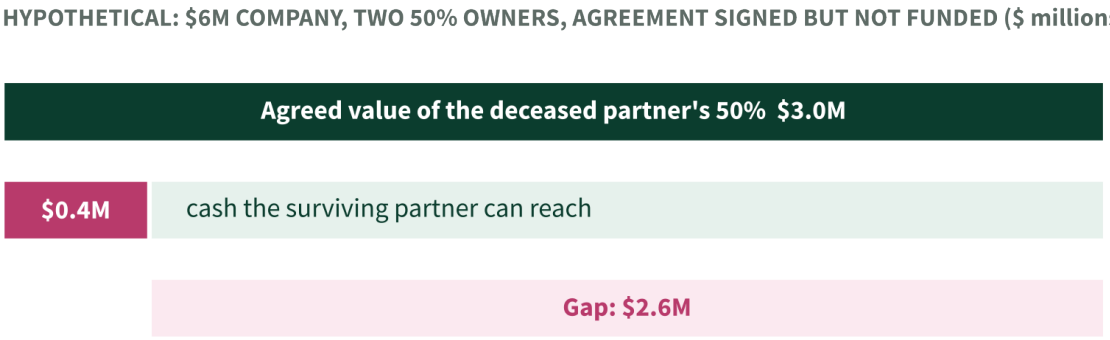
Questions a review answers

- Who, besides you, is essential to revenue, and what exactly would be lost without them?
- What do your loan documents require, and who signed personally?
- How many months could the company operate through a disruption without new financing?
- Who would your lender, your largest customers and your best employees call first?

PILLAR 3 · SUCCESSION

A signed agreement is not the same as available cash

When a partner dies, a buy-sell agreement without funding can leave both the surviving partner and the deceased owner's family exposed.



#	Problem	What can go wrong
9	**Partner death**	The agreement requires a purchase that the survivor cannot finance.
10	**Unwanted new partner**	Without a completed buyout, heirs may become co-owners with the surviving partner.
11	**Unequal inheritance**	One child works in the business and others do not; an equal split can be unequal in effect.
12	**Unfunded succession**	A death-triggered transition has no agreed source of money, price or process.

Three roads when there is no funding

Without a funded plan, a surviving partner may borrow heavily, bring in an outside buyer or investor, or face a forced sale or wind-down. Each outcome is rarely what either family wanted. The deceased owner's estate, in turn, may wait, accept a discount, or hold a minority interest it did not choose.

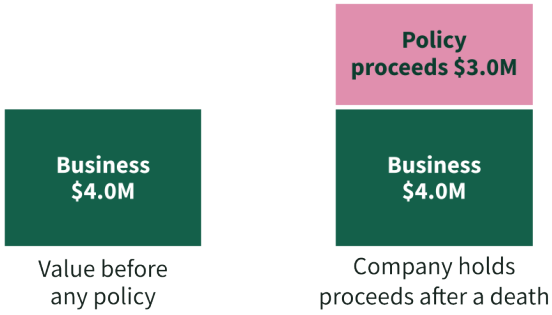
> **Why this is more than paperwork**
> Buy-sell structures differ in who owns the funding, who receives it, and how value and tax are treated. A 2024 Supreme Court decision made that difference more important. The next page explains why. [6]

SUCCESSION · A 2024 RULING

Why owners should look again at their buy-sell agreements

In Connelly v. United States, the Supreme Court addressed what happens when a company holds insurance proceeds meant to buy back a deceased owner's shares.

HYPOTHETICAL ILLUSTRATION OF THE PRINCIPLE ($ millions). NOT TAX ADVICE.



The Court held that the promise to buy back the shares is not automatically subtracted, so the proceeds can raise the value used for federal estate tax.

What the Court decided

On June 6, 2024, the Court unanimously held that Crown's fair-market-value redemption obligation did not offset the $3 million of corporate-owned life-insurance proceeds when valuing the company for federal estate-tax purposes. The Court did not hold that a redemption obligation can never reduce a company's value. In this case, the IRS determined that the estate owed an additional $889,914. [6]

What it does not tell you

The decision does not say which structure is right for any business. Outcomes depend on entity type, ownership percentages, the valuation method in the agreement, state law and how the plan is written and funded. That is a conversation for your attorney, your CPA and a valuation professional.

Questions to take to your attorney and CPA

- When was our buy-sell agreement last reviewed, and by whom?
- Does it fix a price, or a formula, and when was value last updated?
- Who owns any funding, and who is the beneficiary?

Questions to take to a valuation professional

- How would an estate tax return value this company today?
- Does that value include any cash or proceeds the company would hold?
- Do the agreement and the funding still match the business?

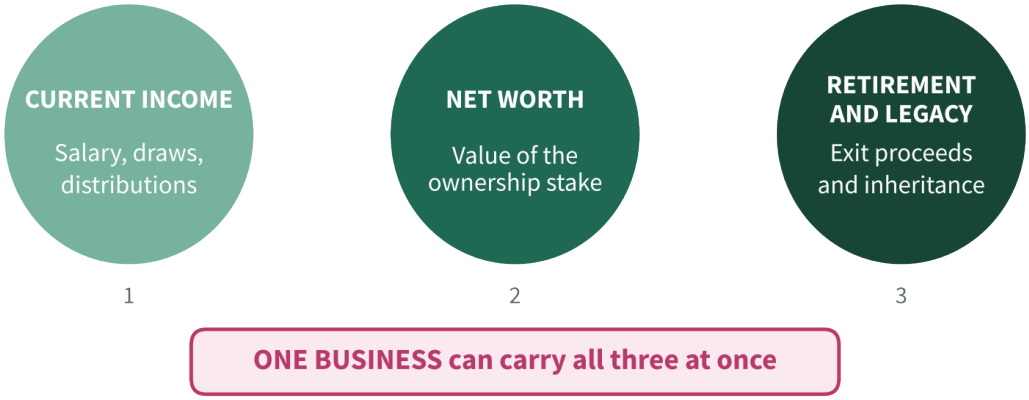
Bring the agreement to your review

If you have a buy-sell agreement, bring it. We will map what it says against what is actually funded and prepare questions for your own legal and tax advisers. We do not draft legal documents.

PILLAR 4 · WEALTH

One business, three exposures

The same company often pays your income, holds most of your net worth and is expected to fund your retirement and legacy.



Why concentration deserves attention

When income, wealth and the exit plan all depend on one company, a bad year, a lost customer, a partner dispute or an owner's health event can hit all three at once. Diversifying away from a business is not a criticism of the business. It is a question of how many things have to go right for the family to be secure.

#	Problem	The honest question
13	**Executive retention**	What keeps the people you cannot afford to lose, and what does it cost the company and them in tax?
14	**Employee protection**	Does your benefits package support the team you want to keep, within the rules?
15	**Tax-aware accumulation**	Are there tools beyond the business worth evaluating, after premiums, liquidity needs and alternatives?
16	**Retirement concentration**	If the sale is delayed, discounted or never happens, how does the household retire?
17	**Access to capital**	Where does liquidity come from outside the company, and what does it cost?

A fair test

Ask: "If the business were worth half as much in the year I planned to exit, would my family's plan still work?" If the answer is no, concentration is a planning issue, not a business-performance issue.

WEALTH · PERMANENT INSURANCE

Cash-value policies: what they can do, and what they cannot

Permanent life insurance can be one long-term tool for well-capitalized owners. It has to be evaluated against premiums, liquidity needs and alternatives.

What a properly designed policy may do

- Provide a permanent death benefit if the policy stays in force.
- Build cash value that generally grows without current income tax on internal gains while the policy stays in force. [1][8]
- Offer loans or withdrawals that may provide liquidity, subject to policy terms.
- Support certain executive-benefit arrangements, with documentation and tax counsel.

What it does not do

- Guarantee index credits or cash-value growth. A 0% index-crediting floor is not a 0% loss floor for total policy value, because charges still apply.
- Make every loan tax-free. Loans accrue interest, can trigger taxable gain if a policy lapses or is surrendered, and are treated differently for a modified endowment contract.
- Make business-paid premiums deductible when the business is a beneficiary. [3]
- Replace diversified investments, emergency reserves or the underlying insurance need.

Five questions before cash value belongs in the conversation

	Question
1	Is the basic protection (family and business) already in place and funded?
2	Can premiums be paid from sustainable after-tax cash flow for the long term, including a lean year?
3	What alternatives for the same dollars have been compared, and what do they cost and risk?
4	Are the guaranteed and non-guaranteed columns, charges and loan assumptions clearly understood?
5	Who will monitor it every year, and what happens if funding is interrupted?

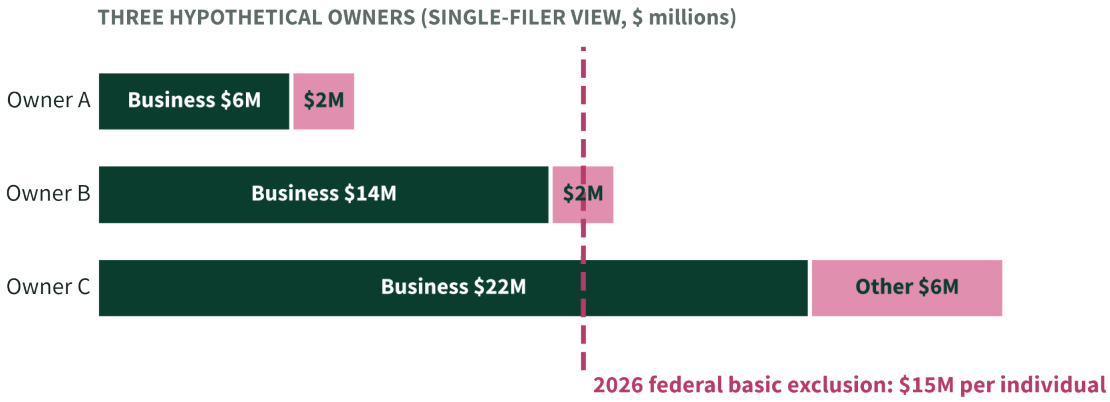
Honest framing

Policy expenses, premiums, changing index crediting, loans and lapse risk all matter. Cash value is not guaranteed growth, and policy loans are not free money or guaranteed tax-free retirement income. For many owners, this is simply not the first or best tool. [15]

PILLAR 5 · LEGACY

Transfer wealth with intention

Estate planning is not simply deciding who gets what. It is designing who receives cash, when, and who controls the decisions.



Hypothetical, single-filer view; spousal transfers, prior gifts, portability and state law change the result. Illustration only.

#	Problem	What can go wrong
18	**Estate liquidity**	Debts, administration costs and any taxes come due while the main asset is a private company that cannot be sold quickly.
19	**Generational transfer**	Control, access and timing go to heirs who may not be ready, or who disagree.
20	**Charitable intent**	Gifts are made with unclear ownership or beneficiary design and unintended tax results.

Three things to know

- **The federal line moved.** For 2026 the basic estate and gift exclusion is $15 million per individual. Whether an estate is exposed depends on prior gifts, structure, residency and other rules. [5]
- **State rules can be different.** A number of states impose their own estate or inheritance taxes, often with much lower thresholds. [14]
- **A trust name is not a plan.** Naming a trust as owner or beneficiary does not by itself keep proceeds out of the taxable estate; ownership, control and transfer rules must be respected, and estate counsel should review them.

> **A note on deferral**
> IRC §6166 may permit an executor to defer and pay qualifying estate tax in as many as ten annual installments when the closely held business interest exceeds 35% of the adjusted gross estate. Interest, eligibility, election deadlines and acceleration rules apply, so estate counsel should evaluate this well before a liquidity event. [13]

TAX REALITY CHECK

Know the benefits. Know the limits.

Never describe all premiums as deductible, cash value as guaranteed growth, or policy loans as universally tax-free.

Topic	What is generally true	Why it needs review
Death benefit	Generally excluded from federal income tax; statutory exceptions apply. [1][2]	Exceptions include employer-owned and transferred policies.
Cash value	Internal growth is generally tax-deferred while the policy stays in force. [18]	Surrender or lapse can create taxable gain.
Policy loans	Often not currently taxed for non-MEC policies that remain in force.	Interest, lapse and MEC status change the result.
Premium deduction	Generally unavailable when the business is directly or indirectly a beneficiary. [3]	Do not assume a deduction.
Executive bonus	Employer deduction may apply to reasonable compensation; the employee generally has taxable income. [17]	Documentation and tax counsel.
Estate-planning trust	May help manage estate-tax inclusion if ownership and transfer rules are respected.	Design and timing matter.
1035 exchange	A qualifying exchange may defer recognition of gain. [7]	Strict requirements; compare before moving.

The most important distinction

A death benefit that is free of income tax is not the same as proceeds that are free of estate tax. Policy ownership, insurable interest, employer-owned rules and beneficiary design must all be reviewed. [1][2]

Tax law changes. The points above are general summaries as of November 17, 2026, and they apply differently to each owner. Your CPA and attorney decide how they apply to you.

TECHNICAL TRAPS

Five rules that surprise even careful owners

Each of these has caught well-intentioned plans off guard. They are the reason a design should follow a diagnosis.

Rule	What it is about	Who to involve
1 Employer-owned policies	Before an employer-owned life-insurance contract is issued, the applicable policyholder generally must complete the written notice-and-consent requirements of IRC §101(j). A failure there can limit the death benefit's income-tax exclusion. Form 8925 is generally filed annually while employer-owned contracts are in force. [2][4][19]	CPA, insurance professional
2 Transfers of policies	A transfer of an existing policy for valuable consideration can limit the IRC §101 income-tax exclusion to the consideration paid plus qualifying later amounts, unless a statutory exception applies. Ownership changes connected with agreements, entities or business restructurings should be reviewed before they occur. [2]	Attorney, CPA
3 Premium deductions	Premiums are generally not deductible when the business is a beneficiary. [3]	CPA
4 Ownership and estate inclusion	Who owns a policy, who retains incidents of ownership, and whether ownership was transferred within three years of death can cause some or all of the proceeds to be included in the gross estate. Estate counsel should review IRC §§2035 and 2042 before ownership is changed. [16]	Estate attorney
5 Funding and MEC status	Putting too much into a cash-value policy too fast can create a modified endowment contract, with different loan and withdrawal taxation.	Insurance professional, CPA

Why this matters for you

These rules do not make insurance a bad idea. They make careless design an expensive one. A review should confirm the facts and the paperwork before anything is illustrated, and your own attorney and CPA should be part of it.

We explain which rules may apply to your facts, and we coordinate with your professionals. We do not give legal or tax advice.

FOUR OWNERS, FOUR PRIORITIES

Different businesses, different first questions

These fictional examples show why two owners with the same revenue can need very different plans.

A The early-stage founder

Age 36 · spouse and two children · business debt

Risk: The family relies on founder income, and a personal guarantee remains.

Explore: Family liquidity, debt exposure, cash reserve and disability.

B The two-partner company

$6M company · 50/50 owners · no funded agreement

Risk: The survivor cannot buy the deceased owner's $3M share.

Explore: Valuation, the legal agreement, funding and ownership structure.

C The high-income owner

$1M earnings · wealth concentrated in the business

Risk: Retirement depends on an eventual business exit.

Explore: Diversification and, only if suitable, long-term tax-aware strategies.

D The legacy builder

Multiple heirs · illiquid assets · large private company

Risk: Taxes, unequal inheritance, loss of control or a forced asset sale.

Explore: Estate counsel, liquidity, trusts and succession planning.

For each owner, five things decide what happens next

	Question
1	What is the primary risk?
2	Who needs the money?
3	When is it needed?
4	Which other professionals must be involved?
5	What do we still need to learn before illustrating anything?

Which one looks like you?

Most owners see themselves in more than one. A review starts by sorting which problem comes first, and which can safely wait.

AN HONEST PAGE

Not every risk is an insurance risk

Insurance design is downstream of an identified problem. For many owners, another tool comes first.

Often just as important

- **Personal and business disability protection.** Personal disability-income coverage may help protect household income, while business-overhead expense coverage may reimburse eligible operating expenses for a limited benefit period. They solve different problems and should be evaluated separately. SSA estimates that about 1 in 4 of today's 20-year-olds will become disabled before retirement age. [11]
- **A legal operating or partnership agreement** that matches how you actually run the company.
- **A will, trust and powers of attorney** from your own attorney, kept current.
- **Emergency reserves** for the company and for the household.
- **Retirement plans** that build wealth outside the business.
- **Commercial insurance** for property, liability and other business risks.

How we think about it

- We start with the problem, then ask which tool fits, including tools we do not sell.
- If another professional solves it better, we will tell you.
- Insurance, when it fits, is one piece of a coordinated plan, not the plan.
- Estate documents come from your own attorney. We help you prepare for that conversation.

Do not force every risk into a life policy

A plan that fits an owner's real exposures will often include a mix of documents, reserves, disability protection and, where there is a documented need, life insurance. Trust is built by saying what is not needed as plainly as what is.

Questions to ask any adviser

- What problem does this solve, and for whom?
- What does it cost, and what happens if I cannot keep funding it?
- What did you compare it against?
- Who else should review this before I sign?

YOUR SELF-CHECK

The business-owner risk checklist

Check only the needs you recognize. There are no right answers; the pattern is what matters.

FAMILY	
☐ **01** Income replacement	☐ **02** Mortgage or personal debt
☐ **03** Liquidity for heirs	☐ **04** Serious-illness risk
BUSINESS	
☐ **05** Key-person loss	☐ **06** Loan guarantees or collateral
☐ **07** Operating cash flow	☐ **08** Stakeholder continuity
SUCCESSION	
☐ **09** Buy-sell funding	☐ **10** Unwanted owner transfer
☐ **11** Inheritance equalization	☐ **12** Funded exit plan
WEALTH	
☐ **13** Executive retention	☐ **14** Employee protection
☐ **15** Tax-aware accumulation	☐ **16** Retirement diversification
☐ **17** Liquidity access	
LEGACY	
☐ **18** Estate costs and taxes	☐ **19** Generational transfer
☐ **20** Charitable gift	

Reading your checklist

Any single box can justify a conversation. Boxes in several different pillars suggest the pieces of your plan may not yet be working together. A complimentary Financial Needs Analysis can map the potential gaps, review what you already have and discuss options, with no obligation to buy anything.

THE DISCOVERY CONVERSATION

Six questions that surface the need

A calm, curious conversation is where clarity starts. These are the questions we ask, and the ones to ask yourself first.

1	FAMILY **If something happened to you tomorrow, what would happen to your family and the business?**	Shows whether the household and the company have a plan, together or separately.
2	DEPENDENCY **How dependent is your company on you or a few key people?**	Identifies the people and relationships the company cannot easily replace.
3	OWNERSHIP **If a partner died, how would you finance the transfer of their ownership interest?**	Tests whether the agreement and the money match.
4	CONCENTRATION **How much of your family's wealth and future retirement depends on the business?**	Measures how many things must go right.
5	TAX AND WEALTH **What strategies do you use to manage taxes and build wealth outside the business?**	Shows what already exists outside the company.
6	LEGACY **When you transfer the business or your wealth, what do you want protected for your family?**	Turns goals into specific, answerable design questions.

The objective of discovery

Clarity, and enough facts to analyze. It is not to close a product in the first meeting. You may find you already have more in place than you thought, or that one gap deserves attention before the others.

Who else belongs at the table

Depending on your answers, your CPA, your business attorney, your estate attorney, a valuation professional, your lender and a licensed insurance professional may all have a role. We welcome them in every conversation, and we do not replace any of them.

KEEPING IT CURRENT

Ten events that should trigger a review

A plan that fit last year may not fit today. These are the moments when owners most often discover a gap.

1 A new partner or a partner leaves
Agreements, ownership and funding all change.

2 A new loan or a guarantee
Personal obligations and lender terms change.

3 The business value changes
Price formulas, estate value and funding can fall out of date.

4 A marriage, divorce or a new child
Needs, guardians and beneficiaries change.

5 A key employee joins or leaves
Key-person exposure moves.

6 A health change
Underwriting options can narrow with time.

7 You buy or sell major property
Liquidity and net worth shift.

8 Tax law changes
Examples: the 2026 federal exclusion, a 2024 court ruling.

9 You begin to think about an exit
Timing and structure take years to build.

10 Existing coverage nears its end date
Terms that expire can leave a gap.

A simple annual rhythm

When	What to do
Once a year	Review ownership, agreements, debts and coverage with your CPA and attorney, and update any valuation.
After any trigger above	Revisit the pillar it touches before the next financial or legal decision.
Before you sign anything	Confirm who owns, who benefits and who else has reviewed it.

An annual check-in

Many of the problems in this paper are easy to fix early and costly to fix late. If it has been more than a year since anyone looked at all five pillars together, that is reason enough to schedule a conversation.

A PERSONAL INTRODUCTION

Meet Nanda: Why This Work Matters to Me

Before you decide to work together, it helps to know the person you would be working with.



Nanda Sringari
Founder, Legacy Builder Financial Services

Licensed Insurance Producer

Entrepreneur · Husband · Father · Mentor

A note from Nanda

I started in engineering and information technology, trained to look beneath the surface and understand how things really work. That mindset led me into entrepreneurship, where I learned that building anything worthwhile takes patience, resilience and good people.

At the center of my life is my family. Sangeetha has been my partner in life and in business, and together we raised three children, now adults. Long before I entered financial services, our family had achieved financial independence. I share that not to impress you, but because it changed how I think about money.

Money matters, but what it makes possible matters more: choices for a family, protection for the people they love, dignity in uncertain times and the freedom to contribute to something bigger.

Eventually, I began asking myself a different question:

What happens to the family and the company if the owner is not there?

That question brought me to financial services and led me to found Legacy Builder Financial Services. For owners, the business is often both the greatest asset and the biggest liquidity problem, and it deserves a plan as careful as the company itself. I want to help families understand money more clearly, so that every decision is an informed one.

I remember the mentors who believed in me, sometimes before I fully believed in myself. Now I try to do the same for the families I serve: tell the truth, explain the trade-offs and stay present when decisions get difficult.

If you would like to talk it through, let's have an open, honest conversation. We can look at your facts, ask the important questions and see whether there is a genuine fit on both sides. Then you can decide for yourself.

What drives me

I believe wealth is bigger than a number: it is confidence, protection and the freedom to choose your next chapter. My goal is to help one million families build stronger financial futures and to develop leaders who carry that mission forward.

Education before decisions

You should understand why, not merely be told what to do. I explain first and welcome your questions.

Clarity before commitment

I explain what a plan involves, what it costs and what the trade-offs are, so you can make an informed decision.

People before transactions

I would rather earn your trust than rush your decision. Your family, goals and timeline deserve respect.

Nanda Sringari is a licensed insurance producer (NPN 21273835). Financial independence is the author's own circumstance, not a representation about anyone's results, and nothing in this paper is a guarantee of results.

WHY WORK WITH LEGACY BUILDER

Diagnosis first, then a coordinated plan

Owner planning touches family, company, partners, tax and legacy at once. Our role is to organize the facts, ask the right questions and bring the right professionals together.

Six things we look at in every owner conversation

1 Family liquidity
Who needs cash, how much and when, measured against what the household can actually reach.

2 Business dependence
The people, customers and debts the company depends on, and what happens without them.

3 Ownership and agreements
Whether buy-sell, operating and trust documents are current and actually funded.

4 Concentration and exit
How much of the family's wealth and retirement depends on one company.

5 Tax and compliance
Owner, ownership and notice rules checked with your CPA and attorney before anything is illustrated.

6 Legacy and control
Who inherits what, when and under whose control, with your estate attorney.

How we work on every case

1. Map	2. Stress-test	3. Coordinate	4. Review
Ownership, debts, agreements, coverage and family goals.	A death, a disability, a partner exit, a lost customer.	CPA, attorneys, lender and insurance professionals in their own lanes.	Revisit after each trigger event and every year.



Education before recommendation

Our aim is that you see your exposures clearly, with the trade-offs shown plainly. We do not draft legal documents, give tax or legal advice, or tell you which structure to use. We help you ask better questions of the professionals who do, and we design protection only where a real need exists.

Nanda Sringari · Legacy Builder Financial Services (LBFS) · Naples, Florida

What every owner review includes

A written summary of the facts provided and the assumptions used, a map of ownership, agreements, debts and existing coverage, a view of family and business liquidity and key-person exposure, and a list of questions for your CPA, attorney and lender. When insurance is relevant, the review also compares guaranteed and non-guaranteed values and policy-loan risks.

Why owners choose to work with us

Education before products. Your CPA and attorney are welcome in every conversation. And honesty about limits: insurance is one possible tool, not every risk is an insurance risk, and if another solution fits you better, we will say so. The next pages show what you receive and how to begin.

A LOOK AT THE DELIVERABLE

A sample Business Owner Exposure Snapshot

This is the one-page summary you receive after your review. All figures below are hypothetical and sanitized.

FAMILY LIQUIDITY RUNWAY

About 15 months

$600,000 liquid ÷ $40,000 assumed monthly spending, before any mortgage payoff

BUSINESS SHARE OF NET WORTH

76%

$5.0M of about $6.6M (business, home equity and liquid savings)

KEY-PERSON DEPENDENCE

3 of top 5

largest customer relationships are held personally by the owner (hypothetical)

OWNER-LINKED DEBT

$1.2M

Term loan with a personal guarantee; lender requirements to confirm (hypothetical)

BUY-SELL STATUS

Unfunded

Signed years ago; price last updated years ago (hypothetical)

COVERAGE IN FORCE

$1M personal

Term coverage with years remaining; no business-owned coverage (hypothetical)

Questions for your attorney

- Do the buy-sell, operating agreement and trust still match how the business is owned and run?
- Who owns and who benefits under any funding, and has that been reviewed since 2024?
- What does the loan guarantee require of the estate?

Questions for your CPA and lender

- How would the estate and the company be valued today, and what cash would each need?
- Have employer-owned notice and reporting steps been completed where they apply?
- What do the loan documents require as insurance, notice or collateral?

What the snapshot is, and is not

It organizes your facts and surfaces questions. It is not tax, legal or investment advice, and it does not recommend any structure, policy or product. Sample figures are hypothetical and not tied to any real person or business.

NEXT STEPS

Two simple ways to begin

You set the pace. The first step is education, not a product decision, and there is no obligation.

IF YOU ARE STARTING FROM SCRATCH

Business Owner Exposure Review

A complimentary Financial Needs Analysis in one focused conversation. We organize the facts behind the twenty problems: family liquidity, business dependence, ownership plans, concentration and legacy.
You receive a one-page **Business Owner Exposure Snapshot** and a focused question list for your CPA and attorney.

IF YOU ALREADY HAVE AGREEMENTS OR POLICIES

Start With What You Already Have

Use our secure upload link to share your buy-sell or operating agreement, loan summary, existing policy statements or in-force illustrations. We map them into an Exposure Snapshot and identify questions to take to your advisers.

In 30 minutes, we will identify which exposure deserves attention first, what information is still missing, and which adviser, if any, should be involved next.

Scan to schedule

How it works

1. **Schedule** a 30-minute Zoom meeting at calendly.com/nandasringari/meet-on-zoom or scan the code.
2. **After booking,** you will receive a secure upload link and a short preparation checklist. Please do not email documents, and redact account and Social Security numbers before uploading.
3. **Bring five facts:** your entity type and ownership percentages; existing agreements and when they were last reviewed; business debts and personal guarantees; coverage in force (personal and business); and your family and succession goals.
4. **Within a few business days,** receive your one-page Exposure Snapshot and adviser question list, then a brief follow-up to walk through it.

For CPAs, attorneys, lenders and other advisers

If a client has an unfunded or outdated buy-sell, owner-linked debt or concentrated wealth, invite us to a joint review. With the client's permission, we share our assumptions and any carrier-approved illustrations for your independent review. We do not replace the client's legal, tax or investment advisers.

Know a business owner who may benefit? Forward this paper or introduce us by email; we will keep the first conversation educational. A suggested line: "A business owner I know may benefit from your Business Owner Exposure Review. I thought the two of you should meet."

How we are compensated

If you purchase an insurance product through us, the licensed professionals involved may receive commissions from the insurer. Reviewing this paper or requesting a review creates no obligation to purchase.

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WEALTH.
PRIDE.
PEACE OF MIND.

SOURCES

Where the facts and figures come from

Tax rules and regulatory guidance can change. Please confirm with your own advisers before relying on them.

Reviewed November 17, 2026. Links open the cited page. Product-specific statements must always come from current approved carrier materials and the issued policy.

[1] IRS, Life insurance and disability insurance proceeds. irs.gov/faqs/interest-dividends-other-types-of-income/life-insurance-disability-insurance-proceeds

[2] 26 U.S.C. Section 101, Certain death benefits, including (a)(2) transfers for value and (j) employer-owned life insurance. uscode.house.gov/us/usc/119-134/t26/s101/

[3] 26 CFR Section 1.264-1, Life insurance contracts: premiums when the business is a beneficiary. ecfr.gov/current/title-26/section-1.264-1

[4] IRS, About Form 8925, Report of Employer-Owned Life Insurance Contracts (reporting under 26 U.S.C. Section 6039I, see [19]). irs.gov/forms-pubs/about-form-8925

[5] IRS, What's new: Estate and gift tax, basic exclusion amount of $15,000,000 for 2026. irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax

[6] U.S. Supreme Court, Connelly v. United States, No. 23-146 (June 6, 2024). supremecourt.gov/opinions/23pdf/23-146_i42j.pdf

[7] 26 U.S.C. Section 1035, Certain exchanges of insurance policies. uscode.house.gov/us/usc/t26/s1035/

[8] IRS Publication 525 (2025), Taxable and Nontaxable Income. irs.gov/publications/p525

[9] National Center for Science and Engineering Statistics, Relationships Between Business Owner Age, Education, and Experience and Product Innovation (2021 Annual Business Survey data). ncses.nsf.gov/pubs/nsf25342

[10] Exit Planning Institute, 2023 National State of Owner Readiness Report (survey of 1,162 U.S. business owners). exit-planning-institute.org/state-of-owner-readiness

[11] Social Security Administration, Support (one in four of today's 20-year-olds will become disabled before they retire). ssa.gov/agency/pillars/support.html

[12] 13 CFR Section 120.160, Loan conditions (personal guarantees by holders of 20 percent or more). ecfr.gov/current/title-13/chapter-I/part-120/subpart-A/subject-group-ECFRa096ec067b9c6cf/section-120.160

[13] 26 U.S.C. Section 6166, Extension of time for payment of estate tax where estate consists largely of interest in closely held business. uscode.house.gov/us/usc/119-118/t26/s6166/

[14] Tax Foundation, State estate and inheritance taxes. taxfoundation.org/data/all/state/estate-inheritance-taxes/

[15] NAIC, Life Insurance Buyer's Guide. content.naic.org/sites/default/files/publication-lig-lp-consumer-life.pdf

[16] 26 U.S.C. Sections 2035 (adjustments for certain gifts made within 3 years of death) and 2042 (proceeds of life insurance). uscode.house.gov/us/usc/119-134/t26/s2035/ and uscode.house.gov/us/usc/119-134/t26/s2042/

[17] 26 U.S.C. Sections 61 (gross income defined) and 162 (trade or business expenses), for executive-bonus compensation and employer deductions. uscode.house.gov/us/usc/119-134/t26/s61/ and uscode.house.gov/us/usc/119-134/t26/s162/

[18] 26 U.S.C. Sections 72 (annuities and certain proceeds), 7702 (life insurance contract defined) and 7702A (modified endowment contract defined). uscode.house.gov/us/usc/119-134/t26/s72/, uscode.house.gov/us/usc/119-134/t26/s7702/ and uscode.house.gov/us/usc/119-134/t26/s7702A/

[19] 26 U.S.C. Section 6039I, Returns and records with respect to employer-owned life insurance contracts. uscode.house.gov/us/usc/119-134/t26/s6039I/

Research note. Statistics are cited to government and industry sources; where a figure is a summary of a report, we link the summary. The hypothetical owners, partners and companies in this paper are fictional and were prepared by Legacy Builder from the stated assumptions. Connelly is summarized for education only; read the opinion with your attorney.

IMPORTANT DISCLOSURES

Please read

Educational and hypothetical. This paper is for general education. Scenarios, case studies and sample snapshots are fictional, use assumptions stated on the pages, and are not predictions or promises of any outcome. Actual results will differ. Business agreements, tax results and insurance contracts vary; consult your own advisers.

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Insurance. Insurance products are subject to underwriting and approval. Guarantees are subject to the claims-paying ability of the issuing insurer; non-guaranteed elements may change. Insurance products are not FDIC insured, not bank guaranteed and may lose value if surrendered early. Policy loans and withdrawals reduce values and benefits and may create tax consequences or lapse risk. Premiums paid by a business that is a beneficiary are generally not deductible.

Indexed and cash-value life insurance. Indexed products do not invest directly in an index or in the market. Caps, participation rates and charges can change, illustrated values are not guaranteed, and an index-crediting floor does not remove policy charges. Overfunding may create a modified endowment contract. Cash-value policies are not suitable for everyone and should be compared with alternatives.

Employer-owned policies and ownership. Employer-owned life insurance may be subject to notice, consent and reporting requirements. Policy ownership, beneficiary designation and transfers can affect income-tax and estate-tax results. Review with your CPA and attorney before purchase or change.

Third-party information. Statistics and legal summaries were reviewed against the cited sources as of November 17, 2026. Legacy Builder does not guarantee that those sources are complete or that the information will remain current after that date. Mention of any third party does not imply endorsement.

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