

WHAT DOES A PROPER BUY/SELL AGREEMENT LOOK LIKE?

Do you have the necessary steps in place to adapt? One great tool for many businesses, especially those with multiple owners, is **buy/sell agreement life insurance**.

“A buy-sell agreement is a legally binding contract that stipulates how a partner’s share of a business may be reassigned if that partner dies or otherwise leaves the business. Most often, the buy and sell agreement stipulates that the available share be sold to the remaining partners or to the partnership. Buy-sell agreements often use life insurance policies to fund a potential buyout in the event of a partner’s death.”

➔ What happens if your co-founder’s spouse suddenly becomes your business partner!?

➔ Do you have a buy/sell agreement in place?

- *If you do, then when was your buy/sell agreement last reviewed?*
- *Is it funded for your company’s current valuation, or that of several years ago?*
- *Are you financially prepared to make up the difference at any given moment?*

What Could Happen Without Proper Buy/Sell Life Insurance?



Ownership Disputes



Financial Strain



Business Instability



Forced Sale or Liquidation



Tax Complications

Benefits of a Proper Buy/Sell Agreement



Smooth
Transition and
Business Continuity



Financial Protection
for Owners and
Their Families



Enhanced
Business
Valuation



Prevent
Future
Conflicts

Conclusion

A proper buy/sell insurance agreement is much more than a financial product. It is a critical component of a comprehensive business continuity plan. We want you to stay robust and sustainable for years to come!

So... we definitely recommend that you:

1. Speak with Professional Advisors at Asset Strategy
2. Regularly Review & Update the Agreement

Sources:

1. <https://www.investopedia.com/terms/b/buy-and-sell-agreement.asp> as of 9.24.2024
2. <https://www.sba.gov/federal-contracting/contracting-guide/types-contracts> as of 11.21.2024
3. <https://www.sba.gov/business-guide/manage-your-business/buy-assets-equipment> as of 11.3.2024

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Have any questions about
Buy/Sell Life Insurance?
Let's Talk!

Set up a 15-Minute
Discovery Call at:
www.assetstrategy.com/contact

