

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**

