The Preferred Course for Business Continuation

It takes years of hard work to build a successful business. To protect your investment, it is important to consider how you will keep the business running smoothly if something should happen to you or one of your business partners. Without proper planning, death, disability, or retirement of key shareholders may jeopardize the survival of your company.

Who has the expertise to take over your interest in the company? Will estate taxes force your heirs to sell their interests at a loss? To be prepared, establish a business succession plan that includes a buy-sell agreement, if appropriate, which is often funded by life and disability insurance. In the event of death or disability of a key shareholder, the remaining partners, key employees, or the company itself can purchase the departing shareholder's interest with the policy proceeds.

Here are some advantages of a buy-sell agreement:

It can help prevent disputes by establishing a dollar value for the insured's interest and setting a price in advance.

It can reduce financial strain by providing funds that may be used to purchase the insured's interest, cover operational costs during transition in the business, or help pay for estate taxes.

It can prevent competitors from purchasing the interest of a retired, disabled, or deceased business partner.

It can allow the remaining business partners to maintain control of the company, ensuring that it will continue to be managed by those with the necessary expertise.

It can help minimize financial loss and estate tax liability, as well as help prevent forced liquidation or sale.

It can boost confidence of those involved with the business by facilitating a smooth transition.

To maintain the successful continuation of your business, only you can ensure it remains in reliable hands. A buy-sell agreement provides a definite course of action during a change of ownership. Please stop in or call us for assistance in securing your company's future.

PCBYSL01-X

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