

## INSURANCE STRATEGIES

# Should We Have a Business Buy/Sell Agreement?

This questionnaire helps business partners determine whether a formal Buy/Sell Agreement is needed. Working through these questions surfaces important issues before a crisis forces difficult decisions.

### Key Questions to Consider:

1. If you survive your partner, do you want the business liquidated even though you are still active in it?
2. If the business continues, would you like to take over your partner's share?
3. Would you be satisfied taking on your partner's work while their widow receives your partner's income share?
4. Do you want the right to decide if you need a new partner if your current partner dies?
5. If you need a new partner, do you want the right to select them?
6. Are you willing to give your partner's widow(er) or executor the right to select your next partner?
7. Would you agree to shoulder all losses yourself but divide all profits with a new partner?
8. Are you willing to buy out your partner at a price set by their spouse or widow(er)?
9. Are you and your partner better judges of your partnership's value than your spouses or their lawyers?

If answers reveal uncertainty or discomfort, a formal Buy/Sell Agreement funded with life insurance is strongly recommended.