

GOLDEN PARACHUTES FOR BUSINESS PARTNERS

You and your business partners are building your company in anticipation of a liquidity event – selling your company – and you want to make sure you achieve the largest valuation possible.

You also want to protect your business from unfortunate circumstances like the unexpected death of one of your partners, as well as equity problems their spouse might create.

Often times business partners will have a buy-sell agreement in place to handle circumstances like this, however the cost of paying for the life insurance policies to fund the buy-sell can get expensive. Nobody wants to pay for life insurance, regardless of how much they need it.

What many business owners don't realize is that you can have your business finance the premiums, keeping the majority of their cash working for them in their business.

And if you don't want to waste your money on an expense that you'll hopefully never have to use, if you and all your partners are still alive when you sell your company, you can each walk away with your own life insurance policies – not only the death benefit to protect your family – but the cash value of the policies may be greater than the premiums paid into them. Not only that, but the growth of the cash value is tax-free.

To find out more about how to create this type of Golden Parachute for you and your partners, contact the advisor that sent you this piece.