



Lafayette Life  
Insurance Company

A member of Western & Southern Financial Group

ADVANCED MARKETS

BUSINESS CONTINUATION  
PLANNING



## Buy-Sell Agreement

*Ensuring your Business Continuation  
with Lafayette Life*



## Would your business survive without you?

- Will your business continue to thrive in your absence?
- Are there family members, other owners or key employees who could continue to successfully run the business without your guidance?
- Will your family be taken care of financially without your business continuing?

**Most small businesses fail to survive beyond the first generation. One reason is the failure to plan for the disposition of the business at an owner's death, disability, retirement or withdrawal.**

Where the appropriate plan of action would be to sell the business interest, establishing a formal plan for the sale of your business may be one of the most important actions you ever take with respect to your business. A buy-sell agreement is one way to help ensure the continuation of your business, guarantee a buyer and help make sure your family is taken care of financially.

## What is a Buy-Sell Agreement?

A buy-sell agreement is a contract between a company or a company's co-owners to buy, and obligating you or your estate to sell, the business interest in case of specific events such as death, disability, withdrawal or retirement. One way of funding the agreement is the use of life insurance, and a policy from Lafayette Life may provide the needed liquidity to fund your buy-sell agreement.

### Buy-Sell Agreement Benefits:

- Guarantees a buyer.
- Establishes a fair price.
- Promotes a smooth transfer of the business.
- Helps avoid conflicts.
- Sets the terms of the purchase and identifies the events that trigger a buyout.
- Assures the remaining owners and employees that the ownership of the company will not transfer to an unsuitable person.

### Advantages of Using Life Insurance to Fund the Buy-Sell Agreement:

- Financing is generally guaranteed from the beginning.
- Proceeds may be free from income tax.
- Cash values can be used for a buyout due to retirement or disability. *(Death benefit amount will be reduced if cash value is withdrawn from the policy.)*
- Credit position could be strengthened.
- It is generally an economical method.

**Your Lafayette Life agent is prepared to work with you and your advisors to create the programs that are best for your company. Call today to learn more.**

Risks, costs and benefits of a buy-sell program should be evaluated carefully.

To ensure the income tax-free nature of the death benefit for certain business-owned life insurance policies, it is necessary to comply with Internal Revenue Code Section 101(j) for policies issued after August 17, 2006. These rules require that the insured/employee receive notice of, and consent to, the issuance of a life insurance policy where the business/employer is the owner and beneficiary for the policy and will continue to be the beneficiary after the insured leaves the business.

## THE LAFAYETTE LIFE INSURANCE COMPANY

With more than 115 years of service to policyholders, The Lafayette Life Insurance Company is a financially strong provider of individual life insurance, annuities, and retirement and pension products and services. Lafayette Life is a member of Western & Southern Financial Group, Inc., a family of financial services companies whose heritage dates back to 1888. Find out more about our financial strength and distinguished history at [LafayetteLife.com](https://LafayetteLife.com).



## Lafayette Life Insurance Company

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The Lafayette Life Insurance Company, Cincinnati, Ohio, operates in D.C. and all states except New York. Life insurance products are issued and guaranteed by The Lafayette Life Insurance Company. Guarantees are based on the claim-paying ability of the company.

**Life insurance products are not bank products, are not a deposit, are not insured by the FDIC or any other federal entity, have no back guarantee, and may lose value.**

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