Framework · Buy-Sell Agreement

Estructura + triggers + funding + coordinación life insurance

Por qué importa: multi-partner business sin buy-sell agreement es disaster esperando a suceder. Al fallecer un partner, su widow(er) instantly becomes co-owner — frecuentemente sin knowledge del business + con potentially opposing incentivos vs surviving partners. Buy-sell + cross-owned life insurance previene todo esto. CRÍTICO para todo multi-partner business.

Los 5 triggers estándar

Muerte	Partner fallecido: shares se compran automatically por surviving partners o business, financed by life insurance.
Disability permanente	Partner unable to work >12 meses: shares se compran para prevenir stuck situation con partner absent.
Divorcio	Partner divorce: prevenir ex-spouse becoming co-owner via divorce settlement.
Retirement	Partner reaches retirement age (agreed): planned buyout at predetermined terms.
Departure (voluntary o involuntary)	Partner quits o fired: planned buyout prevents disputes.

Los 3 tipos de structure

Cross-purchase

Cada partner compra shares del deceased/departing partner directamente. Owns life insurance en cada uno de los otros partners. Simple con 2-3 partners. Complex con 4+ partners (número de policies = N × (N-1)).

➡ Best cuando: 2-3 partners + owner-managed business + tax basis considerations importante.

Redemption (entity purchase)

El business itself buys shares del deceased/departing partner. Business owns life insurance en cada partner. Simple regardless del número de partners.

➡ Best cuando: 4+ partners + one policy per partner simpler + business has cash flow to fund.

Hybrid

Combinación: business gets first option to redeem, if declines then remaining partners buy cross. Máxima flexibilidad pero mayor complejidad legal.

➡ Best cuando: uncertain future scenarios + willing a pay extra legal complexity para flexibility.

Funding con life insurance

Sin funding, buy-sell agreement es aspirational. Life insurance financia buyout, evitando que surviving partners o business tengan que scramble for cash post-death. Amount coverage: valuación del business (updated annually) × partner's ownership %. Ejemplo: business worth $10M, 3 equal partners. Cada partner needs $3.33M coverage. Con cross-purchase: cada partner owns $3.33M coverage on cada otro partner = 6 total policies. Con redemption: business owns $3.33M on cada partner = 3 total policies.

Valuation mechanism

Fixed price	Agreement specifies exact price ($). Simple pero rapidly outdated. Requires annual review + update.
Formula	Multiple × EBITDA o similar formula. Objective but can become misaligned with actual value.
Appraisal at trigger	Independent appraiser determines value at time of trigger. Most accurate pero adds cost + potential delay.
Right of first refusal	Departing partner gets outside offer, existing partners have right to match. Market-based valuation.

Setup process

■	Consulta business attorney especialista en buy-sell (NOT general attorney).
■	Confirm valuation approach + document formal appraisal baseline.
■	Select structure (cross-purchase / redemption / hybrid).
■	Purchase life insurance cross-owned or business-owned per structure.
■	Sign buy-sell agreement con all partners.
■	Document en business records + provide copies a all partners.
■	Annual review: update valuation, verify life insurance still in force, adjust if needed.

Buy-sell agreement setup: $5-15K legal + $2-10K/año life insurance premiums per partner. Cost trivial compared to disaster of not having it. Todo multi-partner business debe tener buy-sell + funded life insurance ANTES de que se necesite. Attorney: business attorney con specific buy-sell experience, NOT general estate attorney.