

Buy/Sell Plans

1. Sole Proprietor – employee buys the policy on the business owner's life. Uses the money to buy business from owner's spouse
2. Partnership –
 - Cross-purchase – each partner buys a policy on the others. Uses the money to buy the deceased's spouse interest.
 - Entity arrangement – the business (partnership) buys one policy on each partner. The business uses that money to buy the deceased's spouse interest.
3. Corporation –
 - Cross-purchase – each partner buys a policy on the others. Uses the money to buy the deceased's spouse interest.
 - Stock Redemption arrangement – the business (corporation) buys one policy on each partner. The business uses that money to buy the deceased's spouse interest.