

The Business Experts Bureau Great Business Idea - Tuesday 2nd Nov 2010

Perhaps you may be in business with one or two other people. Your company's constitution may give you the right to buy their shares should something happen to them but there is no obligation on the part of your business partner's estate to sell you those shares.

This is where the buy and sell agreement comes into play and certainly not enough business owners have these in force. However this is only half the story as not only do you need the partners estate's obligation stated in the agreement to sell you the shares you also need guaranteed funding in place at that time. Most good agreements will state the need for insurance and that it needs to be insurance that grows in proportion to the business value growth. Most good modern policies will enable you to take out additional cover as the business value grows without having to complete a multitude of forms or undergo medical examinations, particularly if something has happened to your health in the interim.

All of the above presupposes your commitment to annually review your buy and sell agreement with the help of your solicitor, accountant and financial adviser.

Warwick Walker
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