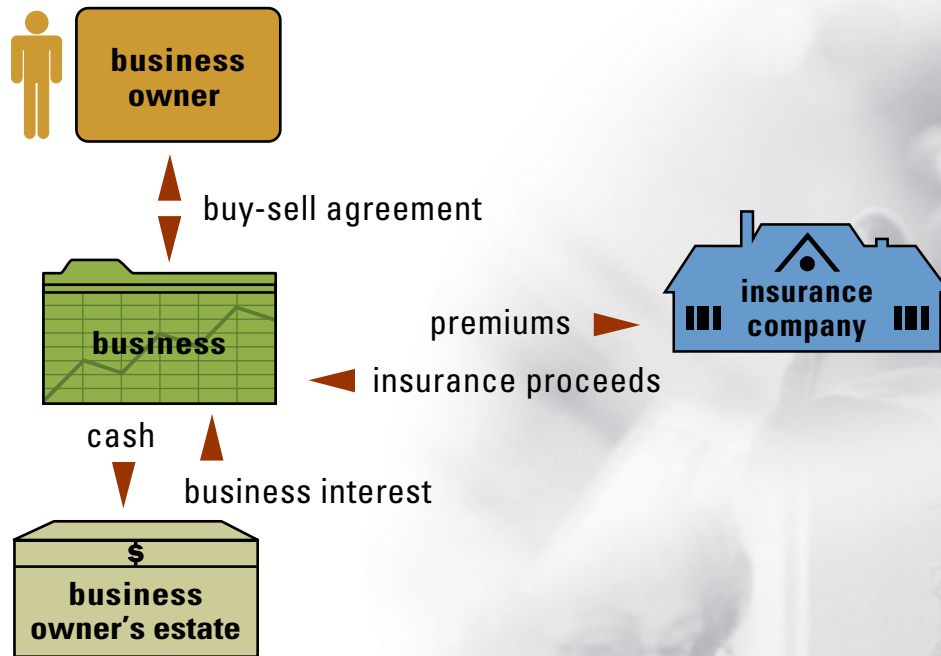


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## HOW AN ENTITY BUY-SELL AGREEMENT WORKS (funded with life insurance)



Each business owner is party to a properly drafted buy-sell agreement with the business.

The business pays to the insurance company the premium for life insurance policies insuring each owner.

When an owner dies, policy proceeds are paid to the business.

The business uses the life insurance proceeds to help purchase the deceased owner's business interest from his or her estate.

The premiums are not deductible by the business.