Buy-Sell Funding Review

Bring this to your annual meeting with your attorney and CPA

The agreement

- ☐ Date signed and last amended: _____
- ☐ Structure: cross-purchase / entity redemption / insurance LLC / wait-and-see
- ☐ Triggers covered: death, disability, retirement, departure, divorce, loss of license
- ☐ Valuation method, and date of the last agreed value: _____
- ☐ Payment terms for any amount above the insurance (note, years, interest)
- ☐ Disability definition and waiting period match the disability buyout policy

Tax and structure

- ☐ Entity-owned policies reviewed for **Connelly** (2024): proceeds count toward company value
- ☐ 101(j) consents on file and **Form 8925** filed for entity- or LLC-owned policies
- ☐ Basis effects modeled (cross-purchase survivors get a step-up; C corp redemption does not)
- ☐ No policy moved between owners without a **transfer-for-value** review
- ☐ S corp: price terms reviewed for the one-class-of-stock rule

Coverage vs current value

Owner	Ownership %	Share of agreed value	Coverage in force	Policy owner / beneficiary	Term ends / convert by	Gap

Agreement or appraisal date: _____ Who updates the value: _____ Next review: _____

Next steps

- ☐ Update the agreed value and sign the certificate of value
- ☐ Close any coverage gap (new or converted coverage) and fund disability, not just death
- ☐ Calendar term conversion deadlines and the next annual review

Size coverage with the buy-sell funding calculator: moraninsurancegroup.com/buy-sell-funding-calculator

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