

## COMPARING THE BENEFITS OF SELF-OWNERSHIP BUY/SELL AGREEMENTS (WHAT IS THE BUSINESS GETTING FOR ITS MONEY?)

Benefit	Standard IGS Business Insurance Trust Agreement	Standard IGS Self-Ownership Buy/Sell Agreement	Traditional Self-Ownership Buy/Sell Agreement
Death Provisions	✓	✓	✓
TPD Provisions	✓	✓	✓
Trauma Provisions	✓	✓	✗
Terminal Illness Provisions	✓	✓	✗
Retirement Provisions	✓	✓	✗
Pre-Agreed Sale Price	✓	✓	✗
Sale Price Paid to Actual Owner (if not Life Insured)	✓	✗	✗
Vendor Finance Provisions	✓	✓	✗
Super Buy/Sell Provisions	✓	✓	✗
Debt Reduction Cover	✓	✗	✗
Avoids CGT on Non-Death Debt Reduction Cover	✓	✗	✗
Avoids loan owing by Business to Estate	✓	✗	✗
Substitute Loan from Continuing Proprietors to Debtor (Avoids lack of franking credits on dividend issue)	✓	✗	✗
Other Key Person Cover	✓	✗	✗
Ability to reallocate Key Person Cover to Buy/Sell Cover	✓	✗	✗
Security of Trustee	✓	✗	✗
ATO Opinion	✓	✗	✗
Single Beneficiary for CGT Purposes	✓	✓	✓
Single Policy Succession Plan	✓	✗	✗
Ability to reallocate Personal Cover to Buy/Sell Cover	✓	✓	✗
Reduces Policy Fees	✓	✗	✗
Reduces Premiums	✓	✗	✗
Fixed Legal Fees on Initial Agreement	✓	✓	✗
Fixed Legal Fees on Variation Agreement	✓	✓	✗