



Business Succession Planning



Do you have a will? Does your company have a will?

You and the partners/shareholders of your company are the driving force and foundation of its success. What would happen if one of them passes on, suffers from a critical illness or suffers total and permanent disability? Who would their shares go to?



Without protection

- If one of the partners/shareholders passes on, suffers from a critical illness or suffers total and permanent disability, his shares may go to someone who does not know the business either through inheritance or sale
- The heir who inherits the shares may not have the skills and experiences to be involved in the operation of the company
- There may be conflict of management style between the heir and the other shareholders

The company may struggle and the family is left with a business with little or no value

OR

- The heir may want to sell the shares for quick cash
- You may not have the funds to buy back the shares

Your company will have to be dissolved and the value would be lower than its actual value

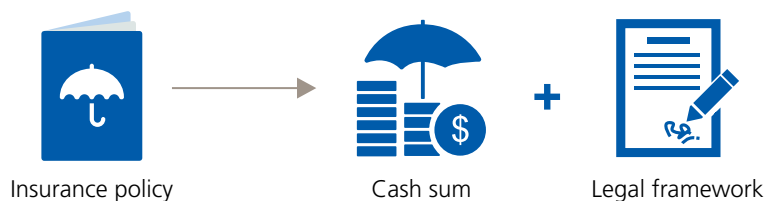
Possible solution

Zurich helps you create a structured succession plan with an insurance protection that ensures you have the funds readily available to buy back the shares of a deceased, critically ill or totally and permanently disabled partner.

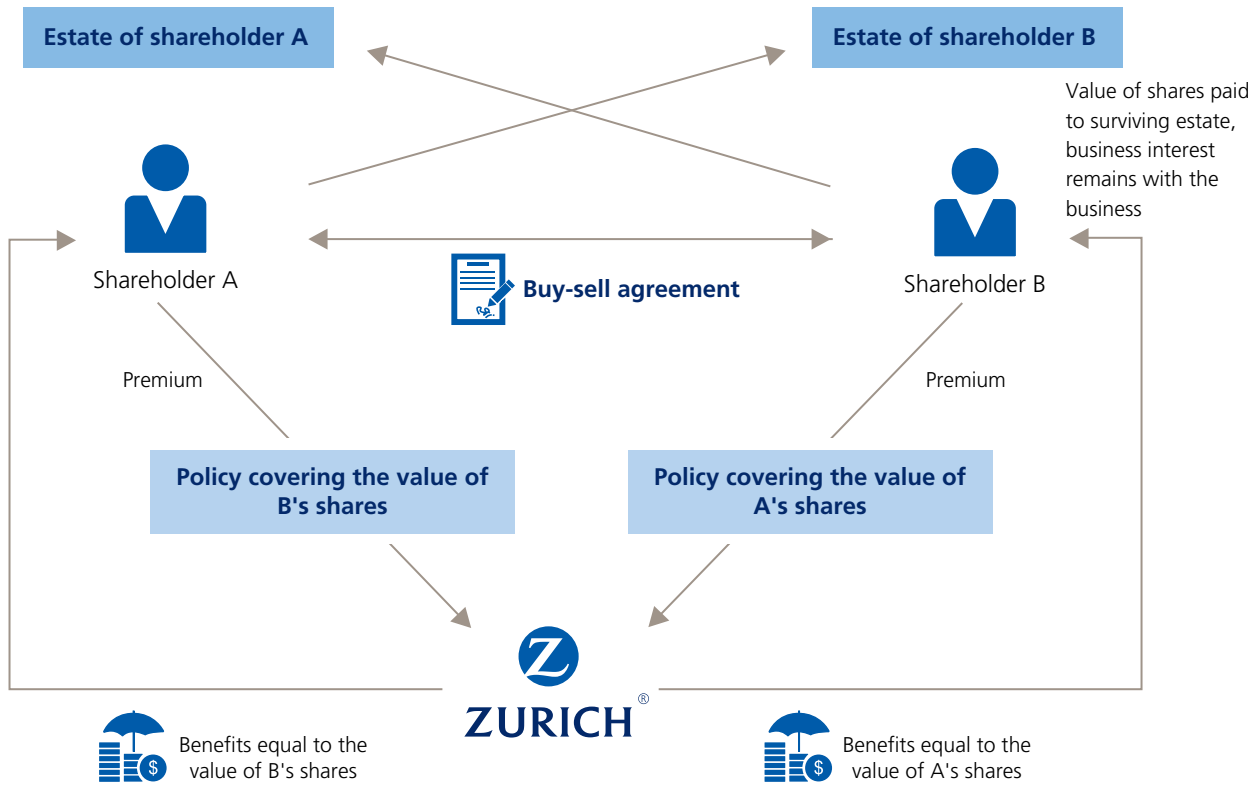


How it works?

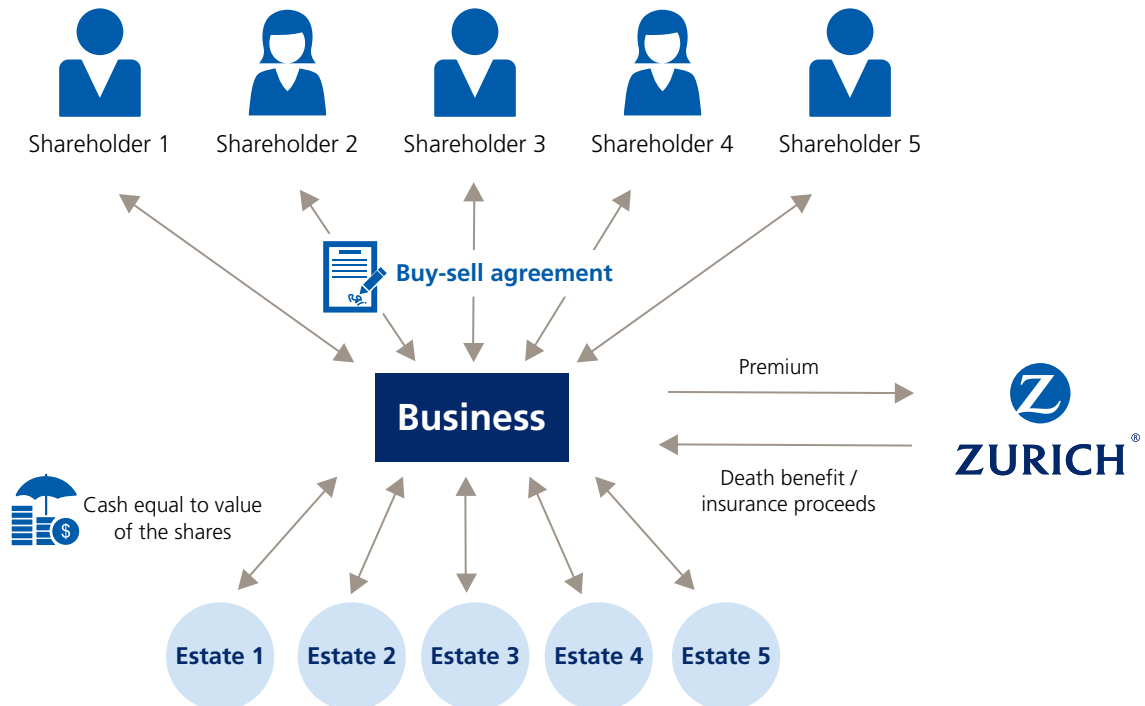
Apart from the insurance policy that provides a cash sum for the buy out of shares, a legal framework will be set up to give you and the remaining partners the right to buy out the shares of a partner who passes away, suffers from critical illness or suffers total and permanent disability.



Buy-sell and co-shareholder's insurance – 3 shareholders or less



Buy-sell and co-shareholder's insurance – multiple shareholders



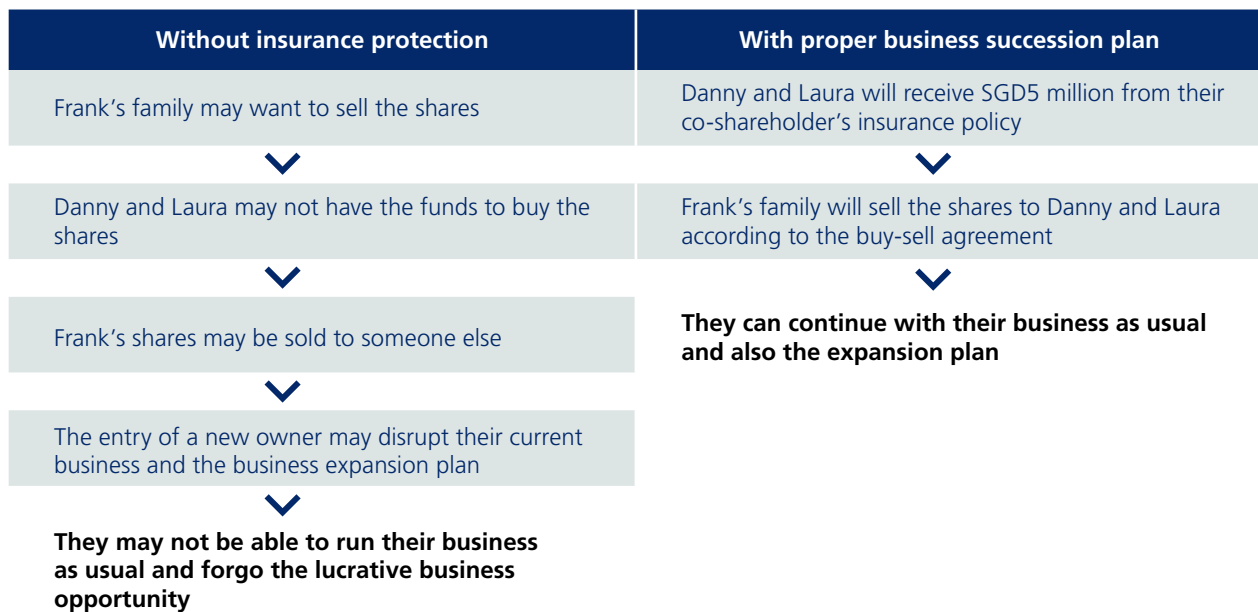


Case study

Frank, Danny and Laura co-own a seafood import and wholesale company with equal shareholding. The business is doing well.

Financial performance	Value (SGD)
Sales	3m
Gross profits	750k
Current valuation	15m
Shareholding of each owner	5m

The company plans to expand into oyster bar business which is very profitable at the moment. Unfortunately, Frank passes away in a plane crash during a business trip in this inopportune time. Frank's wife is inexperienced in the business and their children are too young to be involved.



Important information

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This information is correct as of 11 December 2014 and may be subject to change.

Zurich Life Insurance (Singapore) Pte. Ltd.
Registered office: Singapore Land Tower #29-05, 50 Raffles Place, Singapore 048623
Registered in Singapore: No. 201027348R
Tel: +65 6240 6088 Fax: +65 6534 4594 www.zurich.com.sg

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