

BUY-SELL FUNDING

Comprehensive Protection

If a business partner dies, becomes disabled or wants out, the remaining owners need to buy their shares, and the departing owner's family needs fair value. Without a plan and the money to carry it out, both sides can end up in a difficult and costly position.

Nova Star Insurance Consultant helps business owners fund their buy-sell agreements so the money is there when it's needed. We compare coverage from a wide range of Canadian carriers and work alongside your lawyer and accountant.

What is Buy-Sell Funding?

A buy-sell agreement is a contract among owners that sets out what happens to an owner's shares after death, disability or retirement. Buy-sell funding, usually through insurance, provides the cash to complete the purchase at the agreed value.

How Does Buy-Sell Funding Work?

Nova Star helps you through three steps:

- Set the terms: your lawyer drafts the agreement, including triggering events and how shares are valued
- Size the coverage: match life, disability buyout and critical illness coverage to each owner's share value
- Keep it current: review values and coverage regularly as the business grows

Personal vs. Corporate Ownership: What's the Difference?

- **Personally owned (criss-cross) insurance** has each owner hold a policy on the others, and is simplest with only two or three owners
- **Corporate-owned insurance** has the company own the policies, which can simplify administration and may allow tax-free capital dividends

Each structure has different tax results, so the choice should be made with your accountant and lawyer. Nova Star advisors will compare both and put the right coverage in place.

Why Buy-Sell Funding Matters for Canadian Business Owners

- A funded buy-sell agreement:
- Provides cash to buy out a departing owner's shares
- Gives the owner's family fair value, quickly
- Keeps control of the business with the remaining owners
- Avoids forced sales, outside buyers and disputes
- Reassures lenders, employees and clients

Company Profile

Nova Star Insurance Consultant is an independent insurance brokerage serving businesses and individuals across Ontario, Quebec, Alberta, Nova Scotia, New Brunswick, and Newfoundland & Labrador. As an independent broker, we are not tied to any single carrier — our only goal is finding you the right coverage at the most competitive rate.

Our licensed advisors handle all research, carrier comparisons, applications, and ongoing coverage reviews — so you don't have to. Whether you need protection for yourself, your family, or your business, Nova Star is your trusted partner for the long term.

Contact

For inquiries or to book a complimentary needs assessment, contact us:

☎ 647-520-6899 ✉ gaby@novastarinsure.com 🌐 www.novastarinsure.com

Nova Star Insurance Consultants *Simplifying Insurance, Securing Your Future.*