

# Case Study

## ENSURING OPERATIONAL CONTROL VIA BUY-SELL AGREEMENT

### PARTNER PROFILE

#### ORGANIZATION

A rapidly growing government contractor providing technology solutions

#### ORGANIZATION SIZE

150+ employees

#### GEOGRAPHIC SCOPE

National U.S.



INSURANCE



ADVISORY



EDUCATION

### BACKGROUND

The firm was experiencing success and had secured several lucrative contracts, which allowed the company to increase their workforce and expand service offerings. With growing rosters of both clients and staff, the co-founders began to worry about the negative effects of an untimely death or disability befalling either one of them. Concerns were raised about the company's ability to maintain operational resiliency, as well as the welfare of their families in the event of an unexpected tragedy. Without a succession plan in place, and with tight operating margins, they soon realized the future of their company was at risk.

### SOLUTION

Risk Cooperative helped identify risk mitigation strategies that would reduce their risk exposure. Following several detailed consultations, our risk experts helped the executives develop a succession framework and implement a Buy-Sell Agreement funded via life insurance. The Buy-Sell agreement's life insurance policies would be triggered under a set of pre-determined conditions including, but not limited to, death and disability. This framework would allow the company to buy outstanding shares with cash on hand and avoid potential issues in terms of liquidation or losing operational control. By developing a robust business continuity strategy, the company was able to comfortably continue planning for growth without having to set-aside critical growth capital for a potential buyout scenario, thereby increasing their overall operational resiliency.



Risk Cooperative is a certified minority-owned risk, and insurance advisory firm, providing institutions with customized risk transfer and insurance solutions in partnership with leading insurance companies and value adding partners.

We approach risk with integrated insurance, advisory and educational capabilities, helping organizations address risk, readiness and resilience through our consultative engagement model, **Resiliency 360°**. Risk Cooperative is licensed in all 50 states, D.C., and Puerto Rico.

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