## SELF-OWNED BUY/SELL INSURANCE COVER: FLOW OF FUNDS

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This flowchart demonstrates the flow of funds and ownership interests for a self-owned buy/sell insurance arrangement.
The case study highlights why self-ownership is a preferred ownership structure as it is a tax effective and efficient way of ensuring the proceeds end up in the right hands.


## STEP 1

Freddie unexpectedly passes away.

## STEP 2

Freddie's 50\% ownership interest is transferred to Carol pursuant to options triggered under a buy/sell agreement.

## STEP 4

Carol ends up as the sole owner of the trading entity, having acquired Freddie's 50\% interest from Freddie's estate.

