



EMPIRE BUILDING

"Family businesses account for a staggering 50% of the GDP in the U.S., yet only 30% of family businesses will survive into the 2nd Generation and as little as 12% are still viable into the 3rd Generation," reports the U.S. Small Business Association. One of the most important aspects of business succession is working out the financial pitfalls following the death of a business owner. A Buy-Sell Agreement is a contract between the business partners, which will ensure a smooth transition of ownership and protect the family's financial future. Purchasing life insurance is the most effective option for funding a Buy-Sell Agreement because it provides immediate liquidity for the heirs and beneficiaries. It will prevent the many complications that can arise between the family members, spouse and co-owners in the event of an unexpected death. The agreement will also prevent dilution of corporate ownership by not having to liquidate assets or use cashflow to provide for the surviving heirs. There are different types of Buy-Sell Agreements such as the Cross Purchase Plan, Entity Plan and Stock Redemption Plan. Premium Finance Group can help you put the proper plan in place. Because we are a family company, we understand the dynamics and issues that come about when working with family.



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SUCCESS STORIES

Statistics don't tell the whole story. While most businesses will not stand the test of multiple generations, there are those that defy the odds to build dynasties that inspire. Here are a few you should know about.

TEXT BY STACY WYNN

THE ROTSCHILDS

Unlike other court Jews in the Free City of Frankfurt in the 18th Century, Banker Mayer Amschel Rothschild managed to bequeath his accumulated wealth to his 5 sons. They and their descendants have become global financial powerhouses as well as making award-winning namesake wine.



THE MELLONS

Every family should get a *Forbes* headline like this: "175 Years Later, The Mellons Have Never Been Richer." Matthew Taylor Mellon II thinks outside the box, as his great-great-great-grandfather Thomas Mellon taught his heirs to do, putting millions in fashion labels and other risky ventures.

THE DU PONTS

Pierre Samuel Du Pont and his sons came to America in 1800 and opened the original Du Pont company, which manufactured gunpowder. Today Du Pont's many companies employ 10% of the population of Delaware. The fortune was reportedly kept in the family by arranged marriages of cousins.

