

BERNICE'S SERIOUS CHECKLIST

SAPIENCE FINANCIAL

CAMPAIGN ASSET • THE HOUSE
OF RISK

EPISODE 4: THE PARTNERSHIP BUY-SELL & FUNDING DIAGNOSTIC

The Structural Reality Check: Pristine accounting folders provide precisely zero safety if your shareholders agreement lacks an explicit, specialized funding mechanism. Under Australian corporate law, a partner's unexpected death causes their equity shares to pass directly to heirs. Without automated insurance-backed funding to buy back those shares instantly, families face an immediate, hostile operational partnership where corporate equity remains completely locked up.

1. SHAREHOLDERS AGREEMENT & VALUATION MOATS

1.1 Executed Buy-Sell Provisions

Do you have a legally binding Shareholders Agreement that explicitly details a mandated buyout mechanism if a partner suffers permanent disability, critical illness, or passes away?

1.2 Two-Year Valuation Synchronization

Has your corporate equity contract been updated or systematically audited within the last 24 months to ensure mathematical formulas match current fair market asset values?

1.3 Accidental Partner Voting Restrictions

Are there concrete legal barriers preventing a deceased partner's inexperienced spouse, executor, or adult children from automatically inheriting active operational voting and management privileges?

2. INSURANCE FUNDING & LIQUIDITY PARAMETERS

2.1 Fully Insured Equity Buyout Base

Are your contractual buy-sell obligations fully underwritten by specific, ring-fenced life and TPD insurance policies, preventing operational capital drains during a crisis transition?

2.2 Key Person Revenue Continuity Runway

Does the business possess explicit key person revenue insurance to fund an elite executive replacement instantly if an essential revenue-generating partner is hospitalised for over 90 days?

2.3 Unconditional Debt & Guarantee Extinguishment

Is there a structured debt protection mechanism configured to instantly clear 100% of outstanding commercial lines, bank loans, and director guarantees upon a partner's emergency exit?

2.4 Multi-Lender Mortgage Isolation

Have you structurally decoupled your primary family home loan from the specific tier-1 institution that manages the active corporate operating accounts or commercial credit lines?

3. FAMILY PROTECTION & GOVERNANCE MATRIX

3.1 Estate Planning Cross-Alignment

Do all business partners maintain active personal Wills, Enduring Powers of Attorney, and testamentary structures that mirror the buyout provisions in your corporate agreements?

3.2 Corporate Overhead Fixed Protection

Does the company hold explicit monthly business overhead insurance to cover staff payroll, commercial leases, and ongoing rent obligations if trading revenue drops during an emergency?

3.3 Documented Ultimate Plan B Architecture

Have you conducted a confidential corporate risk check with a specialist advisory desk to map exactly how family income is insulated prior to any shareholder dispute?

**● IS YOUR UNFUNDED CORPORATE SHIELD SET TO
DEFAULT TO CHAOS?**

If you checked fewer than 10 boxes today, your home asset safety and personal wealth allocations are exposed to forced corporate restructures. Do not wait for an unexpected emergency boardroom dispute to execute fully funded buy-sell protocols.



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