



## Insurance Essentials for Small Business Owners

Starting a small business often begins with a great idea and a desire to build something meaningful.

For many owners, their business isn't just a source of income—it's how they provide for their families. But here's the thing: most small businesses rely heavily on the health, skills, and vision of the owner or a key employee. If something were to happen to that person, the impact on the business, employees, and their families could be devastating.

Unfortunately, many business owners focus so much on reinvesting in their businesses that they overlook a crucial part of their financial strategy—protection against the unexpected. Without a plan for contingencies like illness, injury, or even death, a business may struggle to survive if cash flow is interrupted. Let's explore some essential insurance solutions every small business owner should consider.

**Disability Protection** – What would happen to your business and family if an accident or illness kept you from working for months? For many, the answer is bleak. A **disability income insurance policy** ensures that you still receive income during such a time. Additionally, a **business overhead expense policy** can help cover critical business expenses—like rent, utilities, and salaries—while you recover. This kind of coverage is essential for keeping the lights on and buying you time to focus on your health without jeopardizing your business or livelihood.

**Life Insurance** – Now, let's take it a step further: what if you didn't come home last night? It's a tough question, but an important one.

**Life insurance** can protect your family and your business in multiple ways:

**1. Supporting Your Family:** Life insurance provides your family with the cash they need to meet immediate expenses and replace your income.

**2. Protecting the Business:** If you lose a key employee whose expertise is critical to operations, life insurance can fund their replacement and cover lost income.

**3. Business Partnerships:** If you're in a partnership, life insurance is vital for protecting the business. It can provide the funds needed to buy out a deceased partner's share from their family, ensuring continuity without forcing the sale of the business.

**4. Planning for the Long Term** – On the surface, insurance might seem straightforward: you pay a premium today for financial security tomorrow. But when it comes to business needs, the stakes are higher. Tax and legal considerations come into play, and structuring policies correctly is critical.

The bottom line? Whether it's protecting against a disability or ensuring your business can weather the loss of a key player, insurance is a cornerstone of any solid business plan. Working with a knowledgeable advisor can help you make the right choices for both your business and your family.

Planning ahead isn't just smart—it's essential. After all, your business is more than a job. It's your legacy.

**We can help with your business insurance needs. Give us a call!**

**Terry Hofkirchner, B.Sc.**

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