

# BUSINESS INSURANCE STRATEGIES – OVERVIEW

## BUSINESS STAGES

### THE EARLY YEARS

CIRCUMSTANCES: Cash flow tends to be irregular  
Debt ratio may be high  
Growth dependent on owner and key employees

CONCERNS: What happens if one of the owners or key employees can't work or dies?

How do we keep employees motivated?

STRATEGIES: 1 2 3 4 6

### THE ESTABLISHED YEARS

CIRCUMSTANCES: Cash flow reasonably steady  
Debt ratio decreasing  
Asset and growth management dependent on key executive(s)

CONCERNS: How do we reduce taxes on our capital surplus?  
What happens to the business if one of the partners dies?  
Have we got the right retirement plans for our key people?

STRATEGIES: 1 2 4 5 6 7

### THE SUCCESSION YEARS

CIRCUMSTANCES: Cash flow reasonably steady  
Debt ratio reasonably low  
Increased asset accumulation  
Owner looking to exit the business

CONCERNS: How do I ensure all my heirs are treated fairly regardless of their participation in the business?

Is there an effective way to give money to charity out of the business?

STRATEGIES: 5 7 8 9 10

## BUSINESS STRATEGIES

- 1 Key Person Protection:**  
Insures your business against the loss of income resulting from the death or disability of a key employee.
- 2 Disability Buy-Out Coverage:**  
Provides the money for non-disabled partners in your business to buy the shares of a partner who becomes disabled.
- 3 Business Overhead Protection:**  
Enables your business to pay the office expenses if you become disabled and cannot work.
- 4 Group Benefits:**  
Sponsored insurance plans (life, health, dental) offered to employees to improve their well-being and increase retention.
- 5 Corporate Surplus Shelter:**  
Combines tax-advantaged investment growth with a potential tax-free capital dividend to shareholders.
- 6 Insured Buy / Sell:**  
Provides the necessary cash flow to buy the shares of a shareholder who dies.
- 7 Executive Retirement:**  
Combines tax-advantaged growth with a potential tax-free future cash flow and creditor protection.
- 8 Corporate Insured Annuity:**  
An alternative to company-owned guaranteed investments that can reduce taxable income and lower the fair market value of the business.
- 9 Estate Equalization:**  
Ensures all your heirs are treated fairly, regardless of participation in the business.
- 10 Charitable Giving:**  
Reduces taxable income now, or at death, while leaving a lasting legacy.



# PERSONAL INSURANCE STRATEGIES – OVERVIEW

## LIFE STAGES

### STARTING OUT

**CIRCUMSTANCES:** Young children, self-sufficient parents  
Moderate income  
Short- and long-term debt  
Beginning asset accumulation

**CONCERNS:** What happens if I become disabled or die?

**STRATEGIES:** 1 2

### BUILDING WEALTH

**CIRCUMSTANCES:** Older children, aging parents  
Entering peak earning years  
Decreasing debt  
Increasing assets

**CONCERNS:** How do I maximize my investments and eliminate debt?

**STRATEGIES:** 1 2 3 4

### PRE-RETIREMENT

**CIRCUMSTANCES:** Children generally self-sufficient, parents may require care  
Peak earning years, may decline  
Debt being reduced  
Peak asset accumulation

**CONCERNS:** How do I maximize wealth, plan for retirement and protect my family?

**STRATEGIES:** 1 2 3 5 6 7 9

### RETIREMENT

**CIRCUMSTANCES:** Reduced family obligations  
Assets being used for living  
Debt being reduced

**CONCERNS:** How do I maximize my quality of life and make sure the value of my estate passes to my heirs?

**STRATEGIES:** 1 2 3 5 7 8 9

## PERSONAL STRATEGIES

- 1 Income Protection:**  
Provides sufficient income to your loved ones in the event of your death.
- 2 Living Benefits:**  
Protects your family's financial well-being against serious illness or disability. Makes sure you can afford the best quality care.
- 3 Income and Estate Preservation:**  
Enables your family to inherit your assets not your tax liability and other expenses at your death.
- 4 Tax-Advantaged Investing:**  
Uses universal or whole life insurance to give your investments preferred tax treatment.
- 5 Family Wealth Transfer:**  
Funds your estate plan to pass inheritance to your children and your grandchildren, tax-free.
- 6 Insured Retirement Plans:**  
Leverages the cash value of your insurance policy for retirement income while maintaining your life insurance coverage.
- 7 Segregated Funds:**  
Protects you from market volatility and may also protect these assets from creditors.
- 8 Insured Annuity:**  
Increases and guarantees the income stream, while maintaining your principal.
- 9 Charitable Giving:**  
Reduces your taxable income now or at death, while leaving a lasting legacy.

