

Why Your Business Needs Insurance

Tax-Free Cash Flow and Great Investing Alternative

OVERVIEW

Insurance can meet various needs in the business context, and it can play a key role in the planning of a business owner's estate by funding a need, creating an investment tool, or by simply optimizing a business transaction that aligns with the payout.

BENEFITS

- Simple way to quantify identified need with tax-free cash flow.
- Great investment alternative for current generation and optimal alternative if investing for 2nd generation.

Business Insurance	
Coverage	<p>Maximum Life Insurance Coverage for Business Owners</p> <ul style="list-style-type: none"> • Income replacement for family: 20 X income • Share redemption: % of shares X value • Key person replacement: 8 X income • Refund premiums to corporation • Debts: pay off corporate debts as appropriate to remove personal guarantees • Estate tax: ~23% of capital gains in BC • Incentives for key employees to stay with business
Key Person	<p>Can your company continue without a key shareholder or employee?</p> <p>Insurance can provide an immediate influx of cash upon an unexpected illness, disability or passing of a key member of the company.</p>
Business Loan Protection	<p>Is your company going to have corporate debt for the foreseeable future?</p> <p>Life insurance can provide cash to repay the loan so the debt doesn't get passed onto the next generation or new owners.</p>
Buy-Sell Funding	<p>Is there more than one shareholder for your company?</p> <p>When a shareholder dies, share buyout must be financed as quickly as possible. Often Shareholder's Agreements call for life insurance to cover this need.</p>
Funding Capital Gains Tax on Passing	<p>How will the 2nd generation cover estate taxes on shares and probate fees?</p> <p>Significant taxes come due on death of last surviving spouse and joint last to die insurance is a cheap way to ensure this burden is taken care of.</p>

<p>Executive Compensation</p>	<p>What insurance solutions can help you attract and retain key executives? Life insurance provides executives with an additional benefit to ensure that their family is looked after in the case where they are the breadwinner.</p>
<p>Wealth Creation</p>	<p>What is the best way to invest corporately? Business owners corporately investing in life insurance policies receive tax free growth during their lifetime and tax free dividends for the 2nd generation.</p>
	<p><i>*Not an exhaustive list. Other key needs include: Critical Illness Coverage, Long Term Disability Coverage, Succession Planning & Income Replacement and Incentives for Key Employees to Stay with Business.</i></p>

Call Us to Learn More About Business Insurance

Keith Brown, CFP, CLU, CH.F.C, FEA, CExP™
 Financial Confidence Advisors Inc
 1220 - 800 W Pender Street
 Vancouver, BC V6C 2V6
 T: (604) 662-5500 • F: (604) 662-3208
 Keith@FinancialConfidence.com
 www.FinancialConfidence.com