

## DISABILITY INSURANCE



Protect your business against the disability of an owner or key person

### Protecting business operations if an owner suffers a disability

If you're a sole owner, disability insurance will help protect your income if you suffer a disabling injury or illness. But you would still need to cover the ongoing expenses of your practice and any outstanding business loans.

#### BUSINESS OVERHEAD EXPENSE INSURANCE

With this solution, you receive payments that cover your business overhead expenses during your disability. So you can keep your operation running until you return to work or decide on the future of your business.

Fixed monthly expenses covered by this insurance include:

- > **Salaries of administrative and support employees**
- > **Rent or mortgage payments**
- > **Utilities**
- > **Insurance premiums**
- > **Property taxes**
- > **Regular accounting services.**

#### BUSINESS LOAN INSURANCE

This solution provides you with monthly benefits or a lump sum to apply to business loans in the event of a disability.

Business loan insurance may cover:

- > **Term business loans**
- > **Mortgage on your business premises**
- > **Government small business loans**
- > **Lines of credit**
- > **Account overdrafts.**

### Talk to your Assante advisor

Do you want to ensure that your business is protected if an owner or key person suffers a disability? Talk to your Assante advisor about disability insurance.

Assante provides integrated wealth management solutions to simplify and enhance your life. Your Assante advisor will assess your financial requirements in order to choose the best solution for you from a number of leading financial service providers.



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## PROTECT YOUR BUSINESS AGAINST THE DISABILITY OF AN OWNER OR KEY PERSON



### What would happen to your business if an owner or key person suffered a disability?

You want to ensure that your business always continues to run successfully, which involves planning for every contingency. That includes the possibility of owners or key people suffering an illness or injury preventing them from working.

Unfortunately, it's a real possibility. During working years, about half of all Canadians will suffer a disability that lasts for more than three months. For a business, an especially troubling statistic is that the majority of these disabilities last for an average of almost three years.\* And you must also consider the worst-case scenario – where a disability actually ends a career.

Imagine the consequences if your business lost the services of an owner or key person for an extended period of time. Of course, revenue would suffer. And think of the time and money you would spend to find and hire a talented replacement.

Without planning for this possibility, the success of your company could be in jeopardy.

\* Based on Commissioner's IDA Morbidity and Commissioner's SO Mortality Tables, Society of Actuaries.

### Your solution?

#### Protect your business with disability insurance

Every year, hundreds of businesses across Canada must deal with the consequences of essential people suffering a disability. Some of the more common disabilities involve accidents resulting in serious injuries, psychological illnesses, stroke, heart disease, and musculoskeletal conditions such as back problems.

All it takes is one disability to threaten your company's financial health. That's why it is so important to choose disability insurance. So you can ensure that your business will continue successfully even if an owner or key person suffers a disability and cannot work.

Disability insurance for your business is different than personal disability insurance. With personal coverage, you choose a single policy to insure your income. But for a business, you can put together a disability

insurance program involving different solutions to meet various needs. Typically, a program will include two or more of the following disability insurance solutions:

- > Sole owner protection
- > Buy-sell funding
- > Key person coverage
- > Employee benefit plans
- > Business overhead expense insurance
- > Business loan insurance.

Your Assante advisor will analyze your unique needs to help you determine which solutions apply to your company. Then your advisor will customize a disability insurance program to protect the financial health of your business.

#### HOW DISABILITY INSURANCE CAN BE USED IN A BUSINESS

Here are the primary ways that companies use disability insurance:

- > **Sole owner protection** – If you are a sole owner, it's extremely important that you purchase individual disability insurance to help replace your income during a disability. You may also need business overhead expense insurance to keep your business operating until you return.
- > **Key person coverage** – If a key person suffers a disability, the business receives benefit payments to help compensate the company for lost revenue and to find and hire a talented replacement.
- > **Buy-sell funding** – Co-owners may decide that if one co-owner suffers a career-ending disability, then the other owners will buy out the business interest of the disabled person. They structure coverage in such a way that the disability insurance benefits go to the healthy partners, and are used to purchase the business interest.
- > **Employee benefit plans** – If you offer a group life and health plan to your employees, you can include disability insurance as one of the benefits.