



Investment Planning
Insurance Planning
Mortgage Planning

Tax Planning
Financial Planning
Estate Planning

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The Importance Of INCOME REPLACEMENT INSURANCE

If you own a business, it is imperative that you take control of insuring your income against loss due to a disability. When you are not employed by a large corporation, you don't have a benefit package that employees and unions seek to obtain. Many business-owners rationalize that they don't need to buy disability insurance right now. Here are three reasons you might procrastinate.

Reason #1. The government will pay me.

Don't Rely On It: The CPP covers only severe and prolonged disability, and the benefit approximates a poverty-level cash flow.

Reason #2. My spouse will support me.

Take Control: Could your spouse manage to find suitable employment quickly enough? If he or she finds work, coping with a new job and the continuing responsibilities of spouse, parent, and private nurse may be too much to bear.

Reason #3. I'm healthy and I never get sick. Nothing will happen to me.

Consider the Risk: Disability strikes many who have never been seriously ill. Statistics show that you are three times more apt to become disabled than die between the ages of 32 to 65. We insure our houses, cars, and our lives recognizing risk. Why not our income?

Your health is your wealth.

Reduce your risk by designing a personal Income Protection Plan to insure your income if disability strikes. When you run a business, your most important asset is your health, upon which your success and income is dependent. Your health is your wealth.



Business Owners Retiring with AN ESTATE PLAN

Entrepreneurs do think about retirement planning. Not all business owners, however, implement plans to allow them sufficient freedom to follow their leisure dreams. If you ask an owner of a successful small business if he/she plans to retire, you may receive an answer such as, “I will never retire because I love what I do”, or “I will retire in 10 years or so”. Those who feel they never want to retire may not have developed interests outside of the company.

Many business owners do save for their retirement using RRSPs. However, the majority believe their company will provide a salary or dividend payment if passed on to the next generation. Alternatively, if sold, they hope it will provide capital to invest for retirement. Therefore, for some, their personal financial stability rides on the future success of the company.

When a business represents the major value of an estate, planning becomes necessary. Yet, many are not convinced that they need to plan their estate or the succession of their business.

Despite the financial importance of their business, most business owners do not know what the tax liability would be if both spouses were to die. An estate plan can ensure that these taxes will be paid from one or a combination of the following sources:

- Life insurance
- The business, from cash flow or liquid assets
- RRSPs (also taxed when both spouses die)
- Non-registered investments

Consider taking the time to do some basic estate planning to determine who will take over the company, and where your retirement income will come from.

Revise or complete both your will and power of attorney. Review your personal and/or corporate-owned life insurance, disability coverage, and key-person insurance. In some cases, the payment of relatively small life insurance premiums can entirely solve the estate’s capital gains tax problems, or generate capital to replace the tax payable on your RRSPs when both spouses die. Insurance can also eliminate company debt and help a succeeding son or daughter with new business capital. Finally, it can help equalize the division of your estate among all of your heirs.

