

Self-employed? Customize your disability and critical illness coverage

Trends in the Canadian job market show there has been a steady increase in the number of self-employed individuals.¹ This is a segment of the population that has less access to group and employer benefits and has a high need for varying types of individual disability and critical illness insurance.

There are many individual disability and critical illness products and features designed to provide coverage for business owners and their employees. Whether it is a product to attract and retain skilled workers and key employees, or to help ensure coverage of ongoing business expenses, customizable solutions are available to you as a small business owner in the event of a disability or critical illness.

For example, as a self-employed individual, you may be interested in an overhead expense plan in addition to your personal disability coverage, to help cover ongoing business operations expenses should you be unable to work.

Make succession planning easier

Perhaps business succession planning is top of mind right now. Perhaps you are in a business partnership and your partner is concerned about a forced sale situation or having to unfavorably restructure your business if either of you were suddenly unable to work. If your partner experienced a lengthy disability, would you be in a position to run the business on your own? Would your partner bring in a family member to assume his or her responsibilities? Buy-out insurance could provide funds to help purchase your partner's interest in the business. Is a disability insurance buy-out plan the missing link in your buy-sell agreement?

Coverage can aid in employee retention

Perhaps you are considering providing disability coverage for your key employees as an incentive and means to help retention. You may want to consider a Salary Continuation Plan (SCP). An SCP is a method of grouping individual disability insurance policies, whereby the premiums are paid by the company and, if properly implemented, can be considered a tax-deductible business expense.*

The financial impact of surviving a critical illness also may be a concern. In the event of a critical illness such as life-threatening cancer, heart attack or stroke, a lump sum amount may help you and your business survive financially from some of the potentially devastating costs relating to such illnesses. Even coverage for your spouse can help, should your spouse become critically ill and you wish to stay home to care for him or her.

These are just some of the ways disability and critical illness insurance plans may be able to help you, your business and even your employees.

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¹ Statistics Canada, *Self-employment, historical summary 2009*

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