

A small business guide to  
**Income replacement for  
business owners**



**Warning: Content may increase business cash-flow when too sick or hurt to work.  
It won't if you don't plan!**

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*Disclosures:* The information in this *Exclusive Report* are concepts that are applied to a business owner regardless of the size of their business. Every business and person has a unique situation and the results will vary. It's up to the business owner to seek out the right information for their situation.

**Please feel free to post this on your blog or email it to whomever you believe would benefit from reading it.**  
***Thank you.***



### Income replacement for business owners who become too sick or hurt to work

If you are the business owner and you become sick, how are you, or the business for that matter, going to be able to pay for that? Typically, a business owner is needed in their business in order for it to function. When a business owner becomes sick the business suffers. Many business owners never think about this until it is too late. Just like most insurance programs, we cannot buy it after the fact.

Owners typically sit with their accountant, lawyer and people they trust and they work up business plans, goals, and the like to keep their business profitable. On the personal side, they may even do some financial planning and protection with a will or even a trust. Beyond that, the focus is on profits.

There is nothing wrong with focusing on profits. After all, isn't that the reason we all go into business? However,

if the owner doesn't plan on protecting the asset they built, they will have a hard time focusing on profits in the event they become seriously ill. The focus will turn to keeping the business afloat until they are better. The unfortunate thing is illness does not discriminate. You could be the next business on the front page of the newspaper talking about closing their doors due to a serious illness.

Planning to protect your family and business in the event a business owner becomes seriously ill isn't that difficult. In fact, with the right insurance agent, the agent will take care of all the details for the business owner and give them a path towards the right amount of protection. Having the right amount of protection, when you need the most, outweighs the time and effort in pursuing this type of protection. It really comes down to the question is it worth the small investment to come out ahead versus ignoring it and possibly going bankrupt personally as well as professionally. Try rebuilding after everything you worked hard for has collapsed after a serious illness. It is not as easy as one may think.

It can be viewed as selfishness if a business owner ignores reviewing this type of coverage for themselves and their businesses in the eyes of their customers, friends and family. It's not the customers, friends or family members fault if the business owner has to make changes to their product or business that they originally liked, such as pricing or benefits of a product, or even close your doors because you are too sick to keep up on happy customers.

A business owner that takes action could be in a position to replace his or her income in the event they are seriously ill. This will give the business the opportunity to replace the owner while they are recovering. Maybe

the business owner will decide it's time to retire while the business still continues on without suffering with the loss of their expertise. The important thing here is the business owner can focus on become well again and to customers can still take advantage of a competitive strong business that continues to provide value.

The income replacement can be done with several different insurance products for asset protection, depending on the business and person. Not everyone can qualify, but if you do, it can be emotionally as well as financially rewarding in the event the business owner actually has to use the benefit. Disability insurance can be hard to qualify for a business owner for several reasons. Some life insurance policies have accelerated living benefits attached to the policy at no extra cost. This is a benefit that allows you access to cash when you have a qualifying event. This can be on a Term Life, Whole Life or Universal Life contract, depending on the insurance company. Some of them may allow you to add on a disability rider for benefits up to age 65, for accidents as well as illnesses, or a waiver of premium during the qualifying time period. Not all benefits are attainable or available with all products. Seek professional advice on such products.

### **Protect Your Paycheck; Family**

Life takes a toll and moves at the speed of light. Over time we focus on priorities that are more immediate than others. With certain things, since there is no immediate pain, we tend to put off until it becomes more important to us. Hopefully, it's not too late.

The foundation to everything else, your ability to earn an income should take precedence over anything else. Without your ability to work you could not provide the protection for you and your family and achieve your ultimate dreams. Whether those dreams are big or small, it does not matter. It is having that opportunity to achieve them. Without your ability to work and earn a living, those dreams are pushed off to a further distance.

Many people do not even know there is something available to protect their paycheck. Some even think their employer cannot stop paying them due to a serious illness. Unless it is a result of an employment or workman's comp claim, the employer is not obligated to pay a dime beyond sick days and vacation time. That means it is up to you. How do you plan on protecting your paycheck?

There are a couple different ways. This is why you must work with an adviser that knows about all the options available to you. Each one does something a little different. You have to be careful because one may not work like you thought versus another.

The evaluation of the plans is an important key step in the process. Some benefits are a percentage of your income and you have to make enough for them insure it. With this in mind, some small business owners would not qualify due to write-offs and depreciation. The business owner still has an income to protect. The question then becomes how? The alternative is there are hybrid programs that only require a source of income to pay for the premiums.

Sixty-two percent of bankruptcies are because of medical bankruptcies according to a Harvard university study.

Nearly three-quarters of them had health insurance at the time of the onset of the illness. Many of the reasons they were pushed over the edge adds up to a loss of income.

Protecting your income should be up there with food and shelter. Without your ability to earn an income, everything is merely a hope or a wish.

Once a business owner or individual has done an evaluation with an advisor, they should visit it regularly and often. This is not something you buy one time and put on the back burner. Keep your plan up to date. If not, it could be too late to do anything about it.

### **Life Insurance You Do Not Have To Die To Use**

Many responsible adults buy life insurance. Some see the value of life insurance so much, they buy life insurance on their kids and grandkids. Other adults see life insurance as an expense. Many of them believe they will live forever, though never admit it. They are modest. There is a great possibility you will live a good life with no serious problems. However, do not count your chips just yet.

Typically, everyone knows someone who has had cancer, heart attack or a stroke. Many of them have suffered financial hardship, whether you know it or not. The lack of income and focusing on improving their health had such an impact on them. Medical bankruptcies are the leading reason for bankruptcies, at the time of this

writing. Medical bills are only a portion of the overall costs that push them over the edge. Mortgage and food are not a covered item on health insurance.

Working with the right life insurance expert, you can find a life insurance policy that provides a death benefit in addition to the ability to accessing the face amount during a qualifying event. You do not have to be written off by your doctor as terminally ill in order to have this benefit. A few conditions on the list that would qualify are Cancer, Heart Attack, Stroke, and in some cases, long term care benefits. Having access to extra cash, without taking out a loan or credit cards, will have a huge impact on a survivor of a serious or chronic condition.

Now put yourself in their shoes. Would you be able to financially survive a serious or chronic illness? Does your current life insurance policy allow you to have access to the face amount while recovering? With this approach, you knock out two birds with one stone and you will not only save money, but also time. Today, this is some of the most precious gem's we have. We have to cherish it.

Put your mind at ease for a moment. If suddenly something happened to your spouse and they become seriously ill with a major condition, such as cancer. Even if they do not work, you will have to take time off of work to help take care of them. Some of those days will be a leave of absence without pay. However, you do not have to worry because you planned for this in advance. In fact, the planning process put you in a position to pay off the balance on the mortgage, finance some of the best doctors in the country because they are the

best for your spouse's situation, and were able to put twelve, plus, months of expenses in the bank. All of this can happen with the right planning. Even if you do not have the kind of budget to do what you want, you should still take action. Putting together the best plan for your situation is far better than doing nothing at all and joining the ranks of losing some of life's most important things.

### **The Promise We Made**

Life insurance goes beyond a transaction with a trusted insurance agent and a monthly cost. Many people in America buy life insurance. When they are approved, they stick the policy certificate in the filing cabinet and forget about it. Most of us, subconsciously, think we are immortal and we will live a full life and pass on due to old age. One defining moment in time can change all of that, all in a flash.

The unfortunate thing is, accidents and illnesses do not discriminate. One day everything could change forever. When it happens you start asking yourself: Why us? Why now? The real world kicks you hard when you are down. On that day, you have to stand up and look at your family and say, "I did plan for this to happen, everything will be ok. I made a decision years ago to protect all of us."

Maybe you did not plan for it. You still have time, but you have to act.

If someone becomes seriously ill, there is life insurance available that you do not have to die to use. Benefits are payable directly to you while you are still alive. This buys you time so you can focus on your family and your health. Life is a challenge when we do not have either one. The living benefits of a life insurance policy, if available in yours, will give you that piece of mind.

Even beyond the living benefits, the face amount of the policy, is equally important. Even if it is a topic that your family does not like to discuss, you still need to address it. Aside from the void that is left in your family once someone is gone, your family loses their ability to maintain the family's standard of living. Many forget about this. Just paying off the mortgage, covering burial expenses and a little bit of cash in the bank is not enough anymore. Most likely, your income covered more, such as food, clothing, education, and maybe some family entertainment every now and then. All of that will be gone if you do not do the proper steps to plan. The planning will allow your family to continue with all the things they enjoyed.

It's the promises we keep, while we are still enjoying the family, which is so important. Once our time comes, we cannot go back and change it. Even procrastination is a major sore point for families. Putting off the proper planning could result in the inability to qualify for what you need for your family; what they deserve. Time could be your worst enemy in this case. It is up to you, but waiting may prevent you from making that promise to your family. Make and hold that promise now.

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