

Why small businesses are making it their business to investigate life insurance

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You are a sole proprietor or a single shareholder in your company. While from a physical standpoint you may consider your business to be small, when it comes to success your results may be exponentially greater. There are over 1,100,000 small businesses in Canada – clearly this sector is booming!

The benefit of being small to midsized is that your business may avoid a lot of the technical formalities of a larger corporation. Life Insurance, however, should not be one of these! No matter your business size, income protection is always a good idea.

Ask yourself, for example, in the event of your (the owner's) death, what would your company be valued at? It may be obvious that you have been making a good living but without you, what is your company worth? It is important to think about the realizable value of your company and how your family/dependants will be supported if you are no longer in the picture.

Another important thing to consider is disability coverage which, again, may not be something that your business may provide you with (or the coverage may be nominal). This means that you are more at risk from the financial consequences of a disability should – knock on wood – anything happen to you. Again ask yourself, “Would my business generate any revenue if I were disabled and could not work?”

If you are a small business owner, take the time to have a conversation with your life insurance advisor about protecting you from the risks. While you may be an independent business person, your family is not. They depend on you for support and it is important to take the necessary steps to ensure this support can continue no matter what the future may bring.

Speak with your advisor to discover what works best for you.