

Don't Let Injury or Illness Take Out Your Business: Protect Your Profits with This Policy

By Ross Arnel, LUTCF

When you're starting your practice, getting enough clients to meet your expenses is key to survival. As your practice grows, expanding your profit margin is your focus along with meeting your expenses. What happens to those expenses if you are unable to work? Does your rent/mortgage disappear, replaced by medical expenses? Is your staff suddenly independently wealthy and no longer in need of their salaries? Of course not, but does that mean you have to use your personal resources to handle them? Not if your Financial Advisor has done their job and protected you with an Overhead Expense policy.

An Overhead Expense policy is a business owners best friend. In the event of an injury or an illness, which does not allow you to work, the Overhead Expense policy will reimburse you for expenses due. Operating expenses such as rent, utilities, employees salaries are reimbursed at 100%.

Imagine you broke your leg in a fall suffered while running for the subway (no one does that, right?). How easy would it be for you to look at a client's site in order to create the perfect design? What would happen if carpal tunnel syndrome affected your drawing hand? While these are all treatable conditions they take time, and time while being disabled leaves you vulnerable.

An Overhead Expense policy can provide you with money for your expenses for as long as 24 months. Benefits are available when you can't work at all as well as when you can do some of your work duties.

Since having partners doesn't negate your share of expenses, this policy is crucial for all business owners, like yourself. The best policies protect you in your specialty so that your inability to be a principal in your practice qualifies you for benefits even though you are capable of working in another occupation. Other key features include money to pay for you to hire a replacement for yourself should you so desire, as well as the ability to increase your coverage in the future as need arises without proof of medical insurability.

An added bonus for you; the premium for an Overhead Expense policy is a fully deductible business expense, lowering your taxable income. Benefits, when received, are taxable but they go to pay... deductible expenses. Making it all a tax free event.

Look for a policy that is non-cancellable and guaranteed renewable. This means you control the policy. The Insurance carrier cannot change any part of the policy including the premium without your permission providing you pay your premiums on time. Regardless of how many claims you may file and how much benefit you receive, a non-cancellable, guaranteed renewable contract is locked in at time of purchase. That's control, that's security, that's insurance. Insurance that means business.

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