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# Life Insurance for the Self-Employed





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If you're like most people, you bought life insurance to provide for your loved ones in the event of your death. But because you're self-employed, you may have an even greater need for life insurance: You'll want to protect your family after you die, as well as protect the financial needs of your business.

## Why life insurance is important

As long as you are alive and healthy, your income-producing capability is relatively secure, and you and your family can enjoy the lifestyle you have established. If you were to die, however, your family could face hard economic times. Your family's financial needs may include:

- Final expenses, such as burial and funeral costs
- Unpaid medical bills
- Income replacement
- Mortgage balance
- Debt repayment (credit cards)
- Education fund for children
- Emergency expenses

## Why life insurance may be even more important when you're self-employed

As a sole proprietor, you are personally liable for all of the debts of your business. Legally, there is no difference between personal and business assets. By definition, a sole proprietorship ends when the owner dies. So, any losses or financial obligations at your death become the responsibility of your estate. It is possible that personal assets may have to be sold or transferred to pay off business debts. Business debts may include:

- Business loans
- Mortgage or lease payments on business location
- Payments due to suppliers, vendors, consultants, employees, and so on
- Taxes due to local, state, and federal taxing authorities
- Fees to lawyers, accountants, and other advisors to settle business affairs

Life insurance can be used to cover these debts, as well as to provide for the ongoing needs of your family after your death.

## What to do about it

Ask your financial professional or insurance representative to help you assess your need for life insurance and design a program to fit your needs.

## IMPORTANT DISCLOSURES

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