

# Financial Protection Guide

Group insurance, tax strategies, and deductible protection — a comprehensive guide for business owners and self-employed professionals in the United States who want to protect their employees, their business, and their financial future.

# Who is this guide for?

Whether you are a small or medium-sized business owner, a self-employed professional with employees, or planning to hire soon, this guide was designed for you. Running a business means taking on risk every day — revenue, payroll, clients, and your own health. A strong benefits strategy can make all the difference.

This guide will help you understand the coverage options that can protect three essential dimensions of your professional and personal life. It presents two practical approaches to offering coverage, tailored to the size and goals of your business, as well as smart tax strategies to maximize the value of your protection investments.

Whether you lead a team of five or fifty, the decisions you make today about employee benefits will have a lasting impact on your company's stability, your employees' satisfaction, and your own peace of mind.

## This guide protects



### Your employees

Health, dental, disability, life insurance



### Your business

Continuity if the unexpected happens



### Your future

Protection aligned with tax planning

# Why employee benefits matter more than ever

In a competitive job market, offering strong employee benefits is no longer a luxury — it's a strategic necessity. Business owners who invest in protecting their teams see direct benefits in talent retention, productivity, and company culture. A well-structured benefits package sends a clear message to your employees: their well-being matters.



## Talent retention

A comprehensive benefits program sets you apart from the competition and keeps your best people for the long term.



## Reduced financial stress

When your employees know they are covered in the event of illness or an accident, they can focus fully on their work.



## Business resilience

A strong protection strategy helps you keep operations running even when faced with the most difficult unexpected events.

# Part 1 — Two ways to offer group benefits

There are two main approaches to structuring an employee benefits program for your team. The choice between these two models depends on your company's size, the diversity of your workforce, and the level of personalization you want to offer your employees. Here is a clear overview of each option to help you make the best decision.

## Option 1

### Standard group insurance

Traditional plan with broad participation, ideal for a culture of uniform benefits


## Option 2

### Flexible group insurance

Individualized approach for small teams with diverse needs


## Standard Plan — Key features

- Life and disability insurance included
- Health and dental benefits
- Rates based on collective participation
- Simplified, centralized administration

 Ideal for companies that want a uniform plan for most employees and a strong benefits culture.

## Flexible Plan — What sets it apart

- Employees enroll individually
- Coverage customizable based on needs
- Portable if an employee changes jobs
- No minimum participation required

 Ideal for small teams and workplaces with varied demographics (young professionals, families, part-time workers).

# Detailed Comparison of the Two Models

To help you quickly see which of the two approaches best fits your situation, here is a comparison table covering the most important criteria for business owners. Keep in mind that the best choice always depends on your specific context.

<b>Criterion</b>	<b>Standard Plan</b>	<b>Flexible Plan</b>
Ideal team size	Medium to large	Small team
Required participation	Yes, minimum required	No, individual participation
Customization	Uniform plan	High customization
Coverage portability	Limited	Yes, in the event of a job change
Administration	Centralized, simplified	Flexible, individual
Demographic profile	Uniform	Mixed, varied
Contribution structure	Employer + employee	Variable depending on the plan design

- ❏ Important note: In an individual participation model, employer contributions can be structured in different ways. The exact structure depends on the plan design and payroll configuration. This information is general and must be validated on a case-by-case basis.

# Part 2 — Why Some Business Owners Prefer the Flexible Model

The individual participation group insurance model is generating growing interest among business leaders, especially those managing small teams with diverse needs. Three perceived advantages come up frequently in discussions with business owners evaluating this approach. It is important to understand these points in context, as their practical application always depends on the specific plan design and underwriting rules.

1

## No employer tax

In the proposed approach, the 9% tax typically applied in traditional plans is not required. This can represent significant savings for the employer depending on premium volume.

2


## Employees choose what they need

Coverage is offered on an individual basis — each person enrolls and chooses what matches their personal needs. The result: no waste, no unnecessary imposed coverage.

3

## Potential premium recovery (disability)

The possibility of recovering 100% of premiums paid for disability insurance is mentioned as a potential advantage. Actual eligibility depends on the plan rules and underwriting.

 These points are provided for informational purposes. Actual eligibility and implementation depend on the plan rules and underwriting. Consult your advisor to confirm your specific situation.

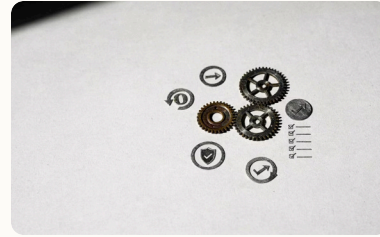
# Part 3 — Essential protection areas for business owners

Beyond choosing the type of plan, every business owner should assess their situation across three broad protection categories. This checklist will help you identify any gaps in your current coverage and prioritize the most critical protections for your context.



## A) Coverage foundation for employees

- Health and dental: everyday expenses, prescriptions, dental care
- Disability: income protection in case of incapacity
- Life insurance: family protection and financial stability



## B) Business continuity and risk management

- What happens if you are away for weeks or months?
- Who covers the critical roles in your absence?
- Which fixed obligations continue despite a drop in revenue?



## C) Protection for the owner and key people

- Owner protection: secure your home and the stability of the business
- Key person coverage: reduce the impact if a strategic employee becomes unavailable

# Questions to ask yourself to assess your current protection

Business continuity is often the most overlooked area of protection by business owners. Yet it is where the consequences of a lack of planning can be most devastating. Ask yourself these essential questions to honestly assess your level of preparedness.



These questions are not theoretical — they reflect real scenarios that business owners face every year. A strong protection strategy must anticipate these vulnerabilities before they become crises. Working with an advisor to map these risks is a fundamental step in building a solid protection plan.

## Scenario: Extended absence of the owner

If you were unable to work for 3 months, what would be the first impacts on your business? Sales, operations, payroll, or client retention?

## Scenario: Loss of a key employee

Have you identified the 1-2 people whose departure or extended incapacity would cause the greatest harm to your operations? Do you have a plan for this risk?

# Part 4 — Tax Strategies and Deductible Protection

Beyond the employee benefits themselves, there are several strategies that allow business owners to reduce their tax burden while protecting company assets. When these approaches are well integrated into your overall financial planning, they can create significant long-term value.

It is important to consider these strategies within a broader conversation with your financial advisor, since the optimal implementation depends on your personal tax situation, the structure of your business, and your long-term objectives.

## **RRSP and integrated planning**

Registered retirement savings plans (RRSPs) can be integrated into your overall protection strategy, offering immediate tax advantages while building your wealth over the long term.

## **Co-ownership coverage**

A shared ownership strategy for insurance policies can make it possible to distribute costs and benefits advantageously between the business and the owner, depending on tax-efficient structures.

## **Premiums paid by the business**

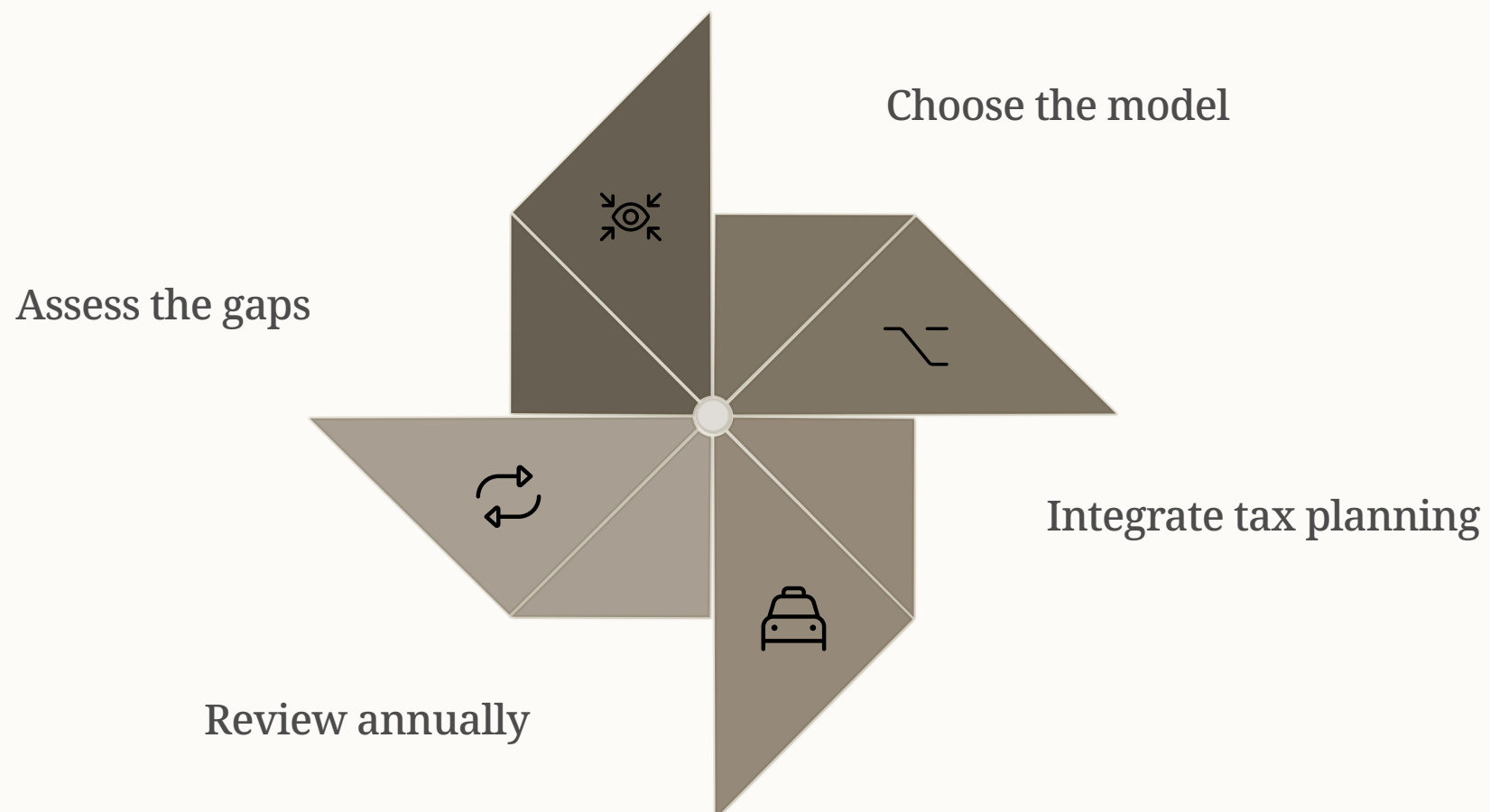
Certain structures allow the business to pay insurance premiums, potentially creating tax deductions for the company while providing personal protection for the owner.

## **Disability premium recovery**

In some flexible plans, there is a possibility of recovering premiums paid for disability insurance — a strategy to review with your advisor to confirm eligibility.

# Next Steps — Building Your Protection Strategy

Putting a comprehensive financial protection strategy in place for your business is not a one-time event — it is an ongoing process that evolves with your company. Here is how to approach this effort in a structured and effective way to maximize the benefits for you, your employees, and your financial future.



## What you should do now

01

### Assess your current gaps

Take inventory of your existing coverage and identify areas that are not protected for you, your employees, and your business.

02

### Choose the right model

Based on the size of your team, its composition, and your goals, determine whether a standard or flexible plan is the better fit.

03

### Integrate tax strategies

Meet with your advisor to explore how RRSPs, co-owned coverage, and other structures can optimize your tax plan.

04

### Review annually

Your business evolves — your protection strategy should evolve with it. Schedule an annual review of your coverage.

## Important reminder

This guide provides general information for educational purposes. Every business situation is unique. The strategies presented here should be validated with a qualified advisor before implementation.

The optimal financial protection combines:

- The right type of coverage
- An efficient tax structure
- A plan adapted to the evolution of your business

👍 Ready to move to the next step? A consultant specializing in employee benefits for businesses can help you design a tailored protection program — aligned with your goals, your budget, and the reality of your team.