A life insurance resource for individuals, families, and business owners

Guardian

Whole life insurance

Another tool in your business strategy

Owning a small businesss comes with a unique set of challenges, which whole life can help you prepare for.

A traditional whole life insurance policy can provide necessary coverage for a policyowner's family and protect their businesses as well. Small business owner may not have access to conventional retirement vehicles, employer-sponsored life insurance, or even paid sick time. Beyond its core value of death benefit protection, whole life insurance may be able to solve for these and some other challenges that business owners face.

Whole life insurance provides guaranteed cash value, a key difference from term life insurance.[1] As premium payments are made into a policy, the cash value will grow,[2] tax deferred.[3] One advantage of the cash value is that a policyowner can make a withdrawal[4] in the event of an emergency, for any challenge that a small business owner may face.

Whole life can help you to prepare for these common expenses:

Rent: Rent can be a big expenditure for many small business owners. But add in an illness or any other reason requiring a brief closure, access to cash value may help offset or cover rent.

Sick time: Being a small business owner often means taking unpaid time off in the event of an illness. Access to cash value can help cover bills and expenses in the event that one sick day turns into several.

Disaster preparedness: Natural disasters cause billions in damages and lost business revenue each year. While business insurance often covers many costs associated with disasters, there can often be gaps. Cash value from a whole life policy may help offset some lost revenue, or cover repairs.

Cash flow: Unsteady cash flow poses a big challenge to many small business owners. Seasonal businesses often operate within extremely tight variances to pay invoices, employees and owners. Having access to a cash value can help with payment of those bills.

Expanding your business: Many individuals use their cash value towards a large purchase, such as a new home. Similarly, you could also leverage it to help expand your business — whether to buy a larger location, more inventory or help expand your staffing.

Time off: With all of the demands of a small business, owners rarely take time off. Consider making an investment in yourself to recharge. With no restrictions on how cash value is used, you could use it to take a trip for some well-deserved relaxation.

Another bonus of the cash value is its accessibility. The cash value from a whole life policy can be readily available and does not face any penalties when accessed.

A whole life policy can be a part of your business' strategy for preparedness and growth, as well as protecting you and your family.

Discuss your preparedness strategy today with a Guardian Financial Professional.

The Guardian Life Insurance Company of America

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[1] All whole life insurance policy guarantees are subject to the timely payment of all required premiums and the claims paying ability of the issuing insurance company. Policy loans and withdrawals affect the guarantees by reducing the policy's death benefit and cash values.

[2] Some whole life polices do not have cash values in the first two years of the policy and do not pay a dividend until the policy's third year. Talk to your financial representative and refer to your individual whole life policy illustration for more information.

[3] Guardian, its subsidiaries, agents and employees do not provide tax, legal, or accounting advice. Consult your tax, legal, or accounting professional regarding your individual situation.

[4] Policy benefits are reduced by any outstanding loan or loan interest and/or withdrawals. Dividends, if any, are affected by policy loans and loan interest. Withdrawals above the cost basis may result in taxable ordinary income. If the policy lapses, or is surrendered, any outstanding loans considered gain in the policy may be subject to ordinary income taxes. If the policy is a Modified Endowment Contract (MEC), loans are treated like withdrawals, but as gain first, subject to ordinary income taxes. If the policy owner is under 59 ½, any taxable withdrawal may also be subject to a 10% federal tax penalty.

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