

## **Income Protection Insurance Helps Self-Employed Entrepreneurs Safeguard Their Business**

QUEENSLAND, Australia May, 2012 – The Global Financial Crisis has had a significant impact on businesses worldwide but not all of it was negative. Yes, many businesses shut down, went bankrupt or continue to struggle to stay afloat. But the GFC has also opened doors for entrepreneurs worldwide, with many proactive businesses outsourcing some business functions to other companies to reduce costs and stay ahead of the competition.

Another benefit is the lesson that every business owner around the world has learnt: to protect themselves and their business from financial ruin. There aren't any foolproof ways to avoid another GFC or the effects of it, and some experts say we still aren't in the clear; but business owners can – and should – protect themselves from loss of income if something were to happen to them personally. Because self-employed entrepreneurs own and manage their own small business, they don't have an employer or any insurance coverage, and even income protection insurance can be tricky without the right strategy and financial advice.

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Financial adviser and administrator of Arrow Insurance Consultant Services Steve Culpitt says, "An income protection plan will pay a regular income if you are unable to work because of sickness or injury. Income protection is particularly important for the self-employed, who cannot rely on short-term sick leave from an employer.

"Most policies will pay up to 75 per cent of your average monthly income (net of business expenses but before tax), if a disability, illness or injury prevents you from working. In most cases, income protection premiums are generally tax deductible."

Self-employed entrepreneurs cannot receive workers' compensation either, so they must be smart about protecting themselves against the financial risk involved with personal injury or illness. Once their coverage is approved, most income protection insurance will provide for business expenses as well, including the salary of subordinates or juniors who must step in while the entrepreneur is out of action.

But Steve warns not to be too hasty choosing an income insurance provider. "There are many different suppliers of income insurance with varying ranges of benefits and cover. No two businesses are the same so they cannot simply select a policy without finding out if it covers everything they need, without incurring expenses for unnecessary cover." says Steve.

Steve Culpitt and his dedicated team of insurance experts work closely with their clients to better understand their needs and the needs of the business and help each individual choose the right insurance provider based on their requirements.

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