Sentry™

101 GUIDE

Plan for my future

As a business owner, what do I need to consider for my future? What should I think about for my work years? What about when I'm planning for my retirement?

At Sentry, we'll help you avoid getting stuck in the present. After all, success lies in planning for both your work years and the years after. Many business owners invest everything they have in their companies, leaving them financially vulnerable if the business fails or suffers an extreme hardship.

With this guide, we'll help you avoid that scenario with strategies and resources you can begin incorporating today.

PREPARING FOR RETIREMENT

As a business owner, you know planning for your retirement requires a different strategy than that of your employees, particularly those anticipating pensions. For many business owners, after all, the business is their savings. You may hope to sell your business once you hit a certain age, cashing out and using your earnings for your retirement. If this is your plan, here are a few actions you can take:

- **Be realistic about your company's market value:** You've poured years of savings, hard work, and passion into maintaining and growing your business. It may be invaluable to you, but you'll need to determine a realistic bid you can expect when you put it up for sale. When planning for the cash you'll receive from the sale of your business, it's better to underestimate your earnings to avoid depleting your retirement savings.
- **Choose the right professionals:** The internet provides business owners with a seemingly infinite number of resources to help you plan for your future. However, keep in mind the value of working one-on-one with knowledgeable legal and financial advisors.
- **Start saving now:** Be prepared for the unexpected. If the market crashes and you're only able to sell your business for a portion of what you expected, you'll want to have a backup savings plan, such as the plans below. Keep in mind that if the market crashes, your investment assets will likely be worth considerably less as well.
  - IRA-based plans: Individual retirement accounts (IRAs) are commonly established independent of employment, but employers like you can also help your employees set up and fund IRAs. As a business owner, you have the ability to set up an IRA either outside your company or from within, contributing to it on your own.
  - Defined contribution plans: Known mostly for 401(k) plans, defined contribution plans include contributions from employees, the employer, or both. When an employee retires, he or she will receive the accumulated contributions, plus the earnings made on his or her investments.
  - Defined benefit plans: Promising a set benefit amount at retirement, these plans are usually based on a percentage of the employee's pay and the length of time the employee was with the company.

- **Protect your business through your working years:** If you're unable to rebuild your business after a fire or a massive lawsuit, will there be anything left for you to sell for retirement? By ensuring that you're adequately covered now, you'll increase your chances of enjoying a comfortable retirement.

Protection during your work years

RECOVERING FROM LOSS OR DEVASTATION

Property insurance

If your business owns, leases, or rents property, has tools, equipment, inventory, or furniture, or has employees who depend on it for their income, property insurance is key. It helps protect your business in case of unexpected accidents or tragedies—fire, theft, wind damage, or even a building collapse under the weight of snow. Primary coverages include:

- Protection of a physical location or building and its contents
- Protection of business income

Life insurance

Business life insurance policies are customized to help your business move forward in case something happens to you—the business owner—or one of your most valuable employees. This can help your business:

- Protect personal or family assets
- Fund a buy-sell agreement
- Cover key personnel
- Safeguard against inflated or extreme debt

REDUCING LOSS

Liability insurance

Liability insurance protects your business when a loss occurs as a result of action, or lack of action, by the business or your employees. This can range from a burn caused by a spilled cup of coffee to a serious injury or death due to unsafe conditions. Proof of liability insurance is often required by law, and typically covers:

- Bodily injury
- Property damage
- Advertising injury
- Personal injury
- Product performance

Risk management services

Also called safety services or loss-control services, risk management services help your company create a culture of safety. We'll help you achieve this by providing a team to work with your business, guide your team through risk scenarios, and assess environmental and occupational health hazards. Above all, we'll help reduce your losses by working to prevent problems from happening in the first place.

Every company needs insurance for protection when things go wrong. But if you're like us, you know there's a bigger picture. We're here to make sure you have the right coverage and help you develop a proactive safety culture. Because it's about more than just protecting your bottom line—it's about helping your company thrive.

For more information, check out sentry.com.
Or to talk to a representative, call 800-4SENTRY (800-473-6879).

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