

Protect your small business and livelihood with focus and planning.

It's easy enough to say, but how do you do it? Sometimes, an example of how others did something that seems daunting can help you on your own journey. So, let's look at a hypothetical couple.



Mitchell and Tina need to protect their small business.

- **Mitchell, 41**, runs a college admission coaching business.
- **Tina, 40**, joined the business part time to manage the finances.
- **Joe, 30**, joined the business full time and developed an application for college admissions that is a critical part of the business.
- Mitchell and Tina live in Austin, TX, and have two children: Dana, 12, is an energetic middle-schooler, and Thomas, 10, enjoys theater camp and taking singing lessons.



About Mitchell and Tina

Mitchell decided to start his business using the money from his recent ad agency severance package to get started. And he has never looked back. In fact, business grew so fast that Tina left her job to join Mitchell as a part-time employee in the business to manage the finances. The business really took off when they hired Joe, full time, to build a software application around college admissions. He is the chief architect and sole person responsible for maintaining the software.

What they're thinking: Business has been great but Tina realizes Mitchell needs a plan to protect the business. What if Mitchell becomes sick? What if something happens to Joe? Joe and Mitchell are critical to the business, so what would happen if either of them were gone? Mitchell wonders what would happen to his family?

This information is hypothetical and not representative of any particular client or product.

Investment and Insurance Products:

- Not FDIC insured • Not insured by any federal government agency
- Not a deposit or other obligation of, or guaranteed by, any bank or its affiliates • Subject to investment risks, including possible loss of the principal amount invested

Their concerns:

Business

- What if something happens to Mitchell or Joe?
- Business continuation

Personal

- Surviving spouse's livelihood
- College education for their children
- Mortgage payments

Steps they have taken

- **Acceptance:** Mitchell and Tina recognize and accept that they need to protect their family and their business since they are fully reliant on it for their livelihood.
- **Recognition:** Joe is a critical part of their business and is key to their future success.
- **Referral:** Their CPA referred a financial professional, Aleesha, with whom he has a professional relationship. Mitchell and Tina feel good knowing their CPA already has knowledge of this financial professional and trusts she can help them.
- **Discussion:** Mitchell reached out to the financial professional, Aleesha, to discuss their options.
- **Meeting:** Aleesha was able to provide them with some information on life insurance policies and how the right life insurance policy and plan structure could help protect their business and their family.



Business expenses and debt

- **Loan/mortgage:** Mitchell owns the office building, and has a mortgage.

Personal expenses and debt

- **Vacations:** They want to take a vacation every year.
- **College:** They contribute to college funds for the children.
- **Mortgage:** They have 25 years left on their home's 30-year mortgage.



How their financial professional helped so far

Their financial professional, Aleesha, has met with them and has gotten to know their business, their family, and their goals. Aleesha spent a lot of time getting to understand their needs today and tomorrow so she can help formulate what they might need over the years. By the end of the week, she returned to explain how they could use life insurance policies:

Two life insurance policies:

- The business buys, owns, and is the beneficiary of a policy on Joe, as a “key person” of the business.
- Mitchell will buy a personal policy with a chronic illness rider to cover his personal expenses. This can help cover income replacement if something happens to him.

These strategies are a good start to protecting both their business and their family. In time, Mitchell and Tina will work with their financial professional to discuss the business continuation plan if something were to happen to Mitchell.

With these life insurance policies in place, they now have a firm foundation to grow on.

Next steps

Aleesha will check in with Mitchell and Tina on an annual basis to ensure that they are on track and comfortable with what's in place. It will be important for her to make sure that as her client's family and business grows and matures, and as the economy peaks and dips, that their goals stay on track.

Tools Aleesha has shared with the couple

The links below are more detailed pieces to help Mitchell and Tina on their financial journey to protect their small business and family.

▶ Key People Help Drive Your Business; Attract and Retain Them While Protecting the Organization

[Download >](#)

▶ A Buy-Sell Agreement Solution to Protect the Future of Your Business

[Download >](#)

▶ Insurance Strategies that Help Drive Your Business's Financial Wellness

[Download >](#)

Who's Your Rock?

Contact a financial professional to learn more about how to protect your business and family.

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