



GTH Newsletter: Protecting Your Business

SUMMER 2017

PROTECTING YOUR BUSINESS: MORE THAN INSURANCE

Have you thought through all the ways to protect your business — and whether you have a coordinated plan? Getting the proper insurance is important, but you also need a number of other safeguards. Here are some things to think about:

Is your business fully and properly insured?

- Do you have adequate coverage for any reasonably foreseeable liability?
- Should you consider an umbrella policy?
- Is the policy held by the proper entity? Should there be additional insureds?
- Do you have a broker to assess the full picture?

LLCs can limit liability if operated properly, but have you kept up with the formalities necessary for entity protection?

- Are all registrations up to date? Remember, there are multiple state and local agencies that may apply depending on the nature of the entity.
- Have you filed your annual report?
- Are you documenting all business relationships and transactions properly?
- Do contracts name the proper parties (i.e., the entity, not the individuals)?
- Are you holding income in a separate bank account?
- Should you hold different assets, especially real estate, in separate LLCs?

Have you protected your businesses' trademarks and other intellectual property?

Consider registering them, and consulting with an attorney about other ways to protect them, including licensing agreements and cease-and-desist letters.

Are you due for a check-up on your employment practices?

- Is your employee handbook up to date?
- Do employment contracts with key employees cover nondisclosure and noncompetition?
- Are you ready for the new paid time off law and other regulatory changes?

Cyber security is a new and critical area of concern for most businesses.

The consequences of a computer breach can be severe.

- Do you store sensitive information electronically, including personal employee data, medical information and financial records?
- Do you have a computer security plan consistent with the National Institute of Standards (NIST) protocols? If you handle health information, are your HIPAA policies up to date?
- Have you had an outside and independent technical review of your IT security systems?

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Protecting Your Business continued...

Consider using your 401(k)s and other retirement plans for asset protection.

- Because they are well-shielded from creditors, let them grow as your cushion.
- Make sure your beneficiary designations are complete so the funds aren't paid into your estate which exposes them to creditors. In any event, keep them up to date so they don't go to the wrong person.
- The same considerations come into play for life insurance.

Do you have a succession plan? Many business owners operate on the assumption that one day they'll sell or hand over ownership. But what if something unexpected happens?

- Do you intend to keep it in the family? If so, spelling it out in your Will and transferring interests over a period of time, perhaps in trust, may be beneficial.
- Do you have a key employee you can position as a successor?
- Will you be selling to an outside party? Establishing relationships with business brokers early can be helpful.
- Should you buy life insurance to help fund the transition?

If you have questions about any of these items, please contact us for a meeting so we can help you improve your plan.

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