

## Types of Business Structure

- **Sole Proprietorship**  
A sole proprietorship is the most basic type of business to establish. You alone own the company and are responsible for its assets and liabilities.
- **Limited Liability Company**  
An LLC is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership.
- **Cooperative**  
People form cooperatives to meet a collective need or to provide a service that benefits all member-owners.
- **Corporation**  
A corporation is more complex and generally suggested for larger, established companies with multiple employees.
- **Partnership**  
There are several different types of partnerships, which depend on the nature of the arrangement and partner responsibility for the business.
- **S Corporation**  
An S corporation is similar to a C corporation but you are taxed only on the personal level.

Find out the details regarding forming a corporation here:

<https://www.sba.gov/starting-business/choose-your-business-structure>

**Why is this important?** If you are building an agency, it is vital to choose the appropriate business structure. In addition to legal and tax implications, this also impacts your ability to sell your business if you ever decide to.

## Powers of Attorney Are Not Recognized By the SSA

Having power of attorney, being an authorized representative or having a joint bank account with the beneficiary is not the same thing as being a payee. These arrangements do not give legal authority to negotiate and manage a beneficiary's Social Security and/or SSI payments. In order to be a payee a person or organization must apply for and be appointed by SSA.

<https://www.ssa.gov/payee/faqbene.htm>

**Why is this important?** If your client becomes unable to handle their finances assuming an existing POA handles their SS benefits would be in error. Giving proper advice to caregivers and loved ones is important to maintaining your advisor role.

## VA Fiduciary

Upon determining a beneficiary is unable to manage his or her financial affairs, VA will appoint a fiduciary. The fiduciary, normally chosen by the beneficiary, must undergo an investigation of their suitability to serve. This investigation includes a criminal background check, review of credit report, personal interview, and recommendations of character references. Only after a complete investigation is a fiduciary appointed to manage a beneficiary's VA benefits.

<http://www.benefits.va.gov/fiduciary/index.asp>

**Why is this important?** The purpose of the Department of Veterans Affairs (VA) Fiduciary Program is to protect Veterans and beneficiaries who are unable to manage their VA benefits through the appointment and oversight of a fiduciary.

## Cancer Insurance

You can't insure your car after the accident.

You can't insure your house when it's on fire.

And you can't get cancer insurance after your diagnosed.

You must plan ahead!

**Possible Objections:**

*I don't know how much more I can afford.* - I certainly understand that. That is exactly why I bring up Cancer Insurance to you. Can you even imagine coming up with the money to cover the expenses related to treating a long term illness?

*What if I never get Cancer?* - That would be wonderful. In fact, I hope you never have to use this policy. But if you do, you will never regret having it. Plus, there is a provision available in many policies to get the majority of premiums you paid in back if you don't have to use it.

**Why is this important?** Which would you prefer? Your client contacts you to tell you that they have cancer and you have never talked to them about cancer insurance. They have good health insurance but are still going to be out thousands of dollars for their care and related expenses. Or Your client contacts you to tell you that they have cancer and they have cancer insurance with you. They have good health insurance and a good cancer plan so they will receive thousands of dollars to help pay expenses when they need it most.