



SSC # 68 – DISABILITY BUY-OUT ARRANGEMENTS: PROTECTING BUSINESS CONTINUITY FOR BUSINESS OWNERS

This course is eligible for:

2.5 Life & A&S CE Credits for BC, SK, MB & ON.

2.5 A&S ONLY CE Credits for AB.

Target Audience

This course is designed for licensed and registered financial professionals in Canada who advise business owners on succession, continuity, and risk management planning. The curriculum assumes foundational competence in life and disability insurance concepts, Canadian business structures, and the principles of buy-sell agreements.

Primary Audience

- Licensed life and accident & sickness (A&S) insurance advisors holding provincial licences issued by CISRO member regulators (e.g., FSRA in Ontario, AMF in Quebec, BCFSa in British Columbia, Alberta Insurance Council)
- CERTIFIED FINANCIAL PLANNER® (CFP®) professionals and QUALIFIED ASSOCIATE FINANCIAL PLANNER™ (QAFP™) professionals certified by FP Canada
- Chartered Life Underwriter (CLU®) and Certified Health Insurance Specialist (CHS™) designate
- Mutual fund dealing representatives and investment dealer representatives registered with CIRO
- Financial planners and advisors operating under provincial financial planning title protection legislation (e.g., Ontario's *Financial Professionals Title Protection Act, 2019*)

Secondary Audience

- Estate and trust lawyers advising business-owner clients on shareholders' agreements and succession structures
- Chartered Professional Accountants (CPAs) providing integrated tax and business advisory services
- Insurance carrier underwriters, product development professionals, and wholesalers seeking advanced DBO product knowledge

- Compliance officers and branch managers responsible for supervisory oversight of business insurance recommendations

Course Overview

Disability Buy-Out Arrangements: Protecting Business Continuity for Canadian Owners is a structured continuing education course that addresses one of the most significant — and most frequently overlooked — risks in business succession planning. While life insurance-funded buy-sell agreements are standard practice, the parallel risk of long-term disability receives inadequate attention despite being statistically more probable for working-age Canadians. This course provides a comprehensive, practice-ready framework for advising business-owner clients on disability buy-out arrangements, from identifying the planning gap through structuring and funding the solution, to navigating the complex Canadian tax implications that distinguish DBO planning from its life insurance counterpart.

The following will be covered:

- Risk identification; DBO definition; distinguishing DBO from DI, BOE, and key person insurance; consequences of informal arrangements
- Legal structure; disability trigger clauses; elimination periods; valuation methodologies; coordination between legal agreement and insurance policy
- Policy features; benefit structures; own-occupation vs. any-occupation definitions; underwriting; needs analysis framework
- Premium deductibility; benefit taxation; CDA treatment; LCGE and QSBC rules; cross-purchase vs. redemption vs. hybrid structures; s. 84(3) deemed dividends; stop-loss rules; regulatory framework
- Three applied case studies: two-partner medical clinic, three-owner construction company, spousal business partnership
- Advisor role; annual review checklist; common pitfalls; ethical considerations; client presentation framework