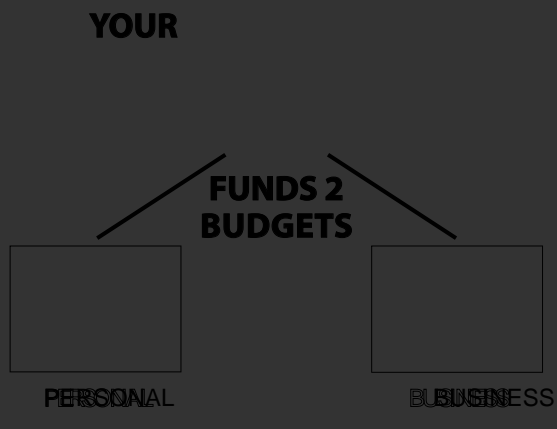


# Business Overhead Expenses Disability Income Insurance

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## You're vital to the success of your business – it could fail if you become disabled.



Small-business owners have to cover their personal expenses, **AND** their business expenses.

**You don't think it will be you. But it could be...**



Just **over 1 in 4** of today's 20-year-olds will become **DISABLED** before they retire.<sup>1</sup>

*There is a high risk of losing the business you've worked so hard to build!*

If you're a business owner, you're aware that your income funds TWO BUDGETS – your personal and your business. Home expenses such as mortgage, utilities, car payments, and credit cards can mount up in no time if you are unable to work due to a disabling illness or injury. Likewise, your business expenses like payroll, rental/lease, insurance and employee benefits would quickly demand your attention – and your money – as well.

**Two sets of expenses with no income could land you in**

**DOUBLE TROUBLE!**

How would you manage business expenses without an income? What would happen to the business you worked hard to build and maintain? You might hope to borrow money, but lenders may not take a chance on your business if you aren't there to generate revenue. On top of that, repaying a loan could become an additional burden once you're back on your feet. Likewise, even if you could make arrangements with creditors, eventually those obligations would have to be paid.

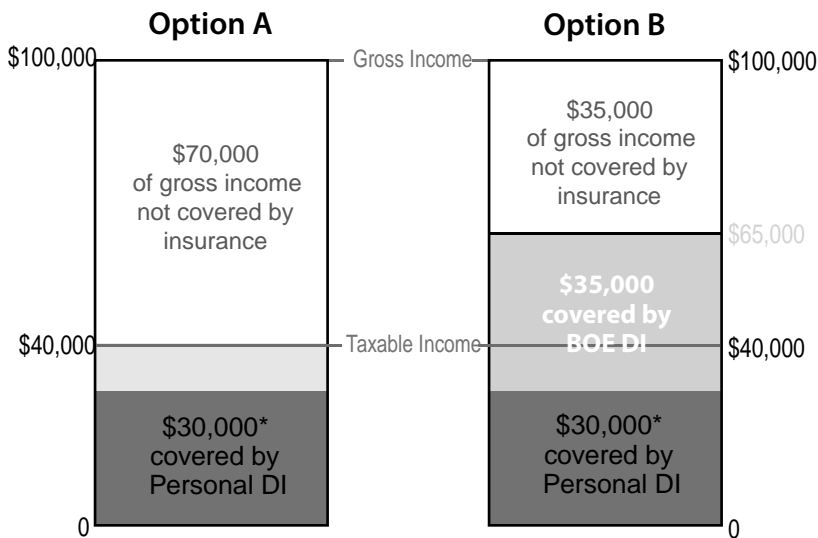
**You shouldn't have to choose between paying your mortgage or your payroll!**

That's why owning Business Overhead Expense Insurance (BOE) is so important for protecting your business and your home in the event of disability. Look at the advantages provided by an AssurityBalance BOE policy from Assurity:

- Coverage of your business's general operating expenses if you become disabled
- Flexibility of monthly benefit amount and benefit/elimination periods
- Affordable premiums that are generally tax-deductible
- Premiums are waived while on a valid claim

<sup>1</sup> Social Security Administration, Fact Sheet, 2014.

## Tom's small business earns \$100,000



**Which amount would you rather have as a business owner if a disability stops you from working?**



## How does it work?

Disability income insurance is designed to replace a portion of an insured's income if he or she is unable to work due to sickness or injury.

Just as personal disability income insurance can ease the losses on the first budget (personal expenses), BOE insurance can go a long way to diminish the additional losses to the second budget (business expenses).

Let's look at an example (Option A): Tom brings in \$100,000 gross income per year from his small business. Of this amount, Tom declares \$40,000 taxable income. Personal disability income issue guidelines allow him to insure approximately 70% of this amount. This is the amount he would have available to pay expenses for both budgets if a disability occurs.

However, if Tom adds BOE to the equation (Option B), he is allowed to insure an additional amount of the \$100,000, so that an extra \$35,000 becomes available to him, resulting in a total of \$65,000 now available to pay expenses. On top of that, the affordable premiums he pays for BOE coverage are generally tax deductible!

**Protect yourself from double trouble. Take steps today!**

### Business expenses covered:

- ▶ Lease or mortgage payments
- ▶ Employees' salaries, wages and benefits
- ▶ Utilities
- ▶ Business insurance premiums, including property and liability insurance
- ▶ Accounting, billing and collection service fees
- ▶ Property and payroll taxes
- ▶ Interest payments on debts
- ▶ Equipment and furniture
- ▶ Office maintenance, janitorial and laundry services
- ▶ Other fixed expenses



\* Actual amount is \$29,760. The amount shown in the chart was rounded up to simplify the illustration.

**Complete the worksheet below, and you will see how valuable AssurityBalance® BOE can be if you are hit with a disability.**

<b>Business Expense Worksheet</b>	
<b>Covered Expense</b>	<b>Cost Per Month</b>
Accounting Services .....	\$ _____
Advertising.....	\$ _____
Answering Service.....	\$ _____
Employee Wages/Benefit Contributions .....	\$ _____
Equipment Lease/Rental Payments.....	\$ _____
Equipment Loan Payments (interest plus greater of principal or depreciation).....	\$ _____
Laundry and Cleaning Services .....	\$ _____
Liability and Malpractice Insurance .....	\$ _____
Mortgage Payments (interest plus greater of principal or depreciation).....	\$ _____
Office Rental Fees.....	\$ _____
Office Supplies and Expenses.....	\$ _____
Payroll Taxes (on employee salaries only) .....	\$ _____
Periodical Subscriptions.....	\$ _____
Postage .....	\$ _____
Professional Dues, Fees, and Memberships.....	\$ _____
Real Estate Taxes .....	\$ _____
Utilities (electricity, heat, telephone, water) .....	\$ _____
Miscellaneous .....	\$ _____
<b>Your Total Monthly Overhead Expenses .....</b>	<b>\$ _____</b>

**Features built into the policy**

**Accumulating Benefit:** If your business’s monthly covered expenses are more than the monthly benefit, the excess expenses may be carried forward and paid in a later month where covered expenses are less than the monthly benefit.

**Waiver of Premium:** Your policy premiums are waived following 90 days of total disability.

**Rehabilitation Benefit:** If you become totally disabled, this plan may help pay the cost of a rehabilitation program.

**Choose your level of coverage**

**Elimination Period:** 30, 60 or 90 days.

**Monthly Benefit Amount:** \$500–\$10,000.

**Benefit Period:** 12 or 24 months.

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Policy Form No. A-D106 underwritten by Assurity Life Insurance Company of Lincoln, Neb. This policy may contain reductions of benefits, limitations and exclusions. For costs and complete details of the coverage, please contact your agent or Assurity, or ask to review the policy for more information.

*A company you can count on...*

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