

**To order printed version of this document,
request Pub3527BL via Forms On Demand.**

**DISABILITY INSURANCE
TO COVER REIMBURSEMENT
FOR OVERHEAD EXPENSES**

BUSINESS
P R O D U C T S



GUARDIAN[®]

Reimbursement for Business Expenses in the event of Disability

You've worked hard to establish your business and to provide exceptional service to your customers. Your presence in the office is crucial to the smooth operation of your business – from overseeing staff to generating the income that funds your day-to-day expenses.

If you became disabled, you may be unable to provide the essential services your customers expect, and you may not be able to provide the leadership that your employees need. Your revenue would likely decline, but your expenses would probably stay the same – or may even increase. How long could you afford to continue meeting your financial obligations? As your day-to-day expenses add up, you might be forced to consider drastic measures like terminating employees, taking on debt or even closing your business. However, there is another option – one that enables you to cover your ongoing overhead expenses and keep the business running so you have a viable business to return to.

Overhead Expense Disability Insurance can help you protect the future of your business by:

- Paying ongoing expenses such as rent, utilities and taxes
- Paying up to 80% of the salary of your temporary replacement
- Paying the salary and benefits of your employees
- Making interest and installment payments on loans
- Preserving the continuity of the business that will retain your customers

Overhead Expense Disability Insurance is a cost-effective solution.

Overhead Expense Disability Insurance is a cost-effective way to ensure that your business can meet its ongoing expenses during a period of disability. Protecting your business from financial loss is important whether you eventually return to work or decide to sell your business.

Just as individual disability income insurance can help you pay your living expenses while you recover from a serious injury or illness, Overhead Expense Disability Insurance can help you to keep your business up and running.

The Benefits of Protecting Your Business with Overhead Expense Disability Insurance:

Policyholders are reimbursed for 100% of actual covered business expenses each month, up to a maximum monthly benefit amount. Guardian's Overhead Expense Disability Insurance provides high-quality coverage that can't be cancelled as long as premiums are paid. The policy includes these desirable features:

- Own-occupation coverage – you are considered totally disabled when you are unable to perform the material and substantial duties of your occupation due to sickness or injury.
- Guaranteed renewable to age 65 – as long as your premiums are paid.
- As long as you are working full-time and are responsible for business expenses, you can continue coverage to age 75.
- Choice of Benefit Periods – 12, 18 or 24 months.

- Choice of Waiting Periods before benefits begin – 30, 60 or 90 days.
- Coverage for all the normal, necessary, and customary expenses incurred to run your business – including mortgage payments or rent, utilities, salaries, taxes, interest on debt, loan payments and more.
- Reimbursement for 80% of the salary paid to someone of your profession to fill in for you, for up to six months following a total disability.*
- Carry-over Provision – accommodates fluctuating monthly expenses by allowing any unused portion of your maximum monthly expense benefit to be made available for use in months when expenses exceed the maximum monthly benefit.
- Extension of Benefits – allows payments to continue beyond the maximum benefit period (but not to exceed two times the number of months in that period) if the benefits paid are less than the maximum monthly overhead expense benefit.
- You can enhance your coverage with Optional Riders
 - Residual Overhead Expense Benefit for Injury and Sickness Rider – offers coverage during a partial disability to reimburse the difference between current expenses and current gross monthly revenue (up the monthly benefit maximum).
 - Future Purchase Option Rider – gives you the option to apply for increases to your coverage each year to help your benefits keep up with inflation and any corresponding increase in your expenses, without the need to provide additional proof of medical insurability (available until age 55).

* Except as described above, coverage does not include salaries, fees, drawing account, or other remuneration for you, or any other member of your profession, or compensation for a member of your immediate family who was not a full time employee within 60 days prior to onset of a period of total disability.

Overhead Expense Disability Insurance offers several tax advantages**:

- Premium payments are tax-deductible as a reasonable business expense.
- Overhead Expense benefits received during your disability are taxable upon receipt; however, they are used to pay business-related expenses which are tax-deductible, so the net tax impact is neutral.

Next Steps

- Use the worksheet to assess your monthly business expenses.
- Ask your financial advisor or insurance representative about Overhead Expense Disability Insurance.
- Compare the cost of the policy vs. the cost to your business or personal savings if you had to continue paying business expenses while you were disabled.
- Complete an application.

** This publication is provided as a courtesy by Berkshire Life Insurance Company of America and does not modify the provisions of any policy. It is offered for the purpose of education and information only and is not intended to constitute tax or legal advice. For information on your specific situation, please consult your personal legal or tax advisor.

What monthly business expenses will you need to cover?

	Amount
Rent	<input type="text"/>
Electricity	<input type="text"/>
Telephone	<input type="text"/>
Heat	<input type="text"/>
Water	<input type="text"/>
Laundry	<input type="text"/>
Employee salaries	<input type="text"/>
Employee benefits	<input type="text"/>
Real estate taxes	<input type="text"/>
Property insurance	<input type="text"/>
Interest on debt	<input type="text"/>
Depreciation	<input type="text"/>
Rent or lease expense of furniture or equipment	<input type="text"/>
Legal and professional services	<input type="text"/>
Other fixed overhead expenses	<input type="text"/>
Salary for your replacement	<input type="text"/>

Total

▶ Disability due to illness or injury is far more common than you may think. Keep your business up and running while you recover with cost-effective Overhead Expense Disability Insurance.



Disability income products and Policy Form 4100 underwritten and issued by Berkshire Life Insurance Company of America, Pittsfield, MA, a wholly owned stock subsidiary of The Guardian Life Insurance Company of America (Guardian), New York, NY. Policy Form OE102 in California and Policy Form NC82 in Montana provided by Guardian. Product provisions and features may vary from state to state.

This policy provides disability insurance only. It does not provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for this policy is 50%. This ratio is the portion of future premiums that the company expects to return as benefits, when averaged over all people with this policy.

Berkshire Life Insurance Company of America
700 South Street
Pittsfield, MA 01201
413-499-4321
www.berkshirelife.com



GUARDIAN[®]

**The Guardian Life Insurance
Company of America**

7 Hanover Square
New York, NY 10004
www.GuardianLife.com

