

# Business Owner Rewards

## Benefits for Small Business Owners



Small business owners are as much at risk of becoming disabled as other professionals, and they have special disability insurance needs. You can help them protect themselves, their families and their businesses with individual disability insurance products from The Standard.

These include:

- **Individual disability income insurance** which provides valuable income replacement
- **Business overhead expense reimbursement insurance** that helps disabled owners keep their business operating until they are able to actively participate again
- **Buy/sell agreement funding insurance** for business partners to purchase an owner's interest if the owner becomes disabled. This coverage ensures the disabled insured receives fair compensation while allowing other owners to carry on the business.

## Business Owner Rewards

- **With Platinum Advantage, Protector Platinum<sup>SM</sup> and Protector Essential<sup>SM</sup> individual disability income insurance** you can offer qualified business owners access to increased disability income insurance coverage while at the same time enhancing benefits and often reducing premiums.
- **With Business Overhead Protector<sup>SM</sup> business overhead insurance**, all new policyowners qualify for:
  - An automatic upgrade of one occupation class in addition to any increases under the Business Owner Upgrade
  - A 10 percent discount off gender-distinct rates for 5A occupations<sup>1</sup>
  - Up to a \$10,000 monthly benefit for new business owners

## Business Owner Discount<sup>2</sup>

The Business Owner Discount provides a 10 percent discount on Platinum Advantage and 15 percent discount on Protector Platinum. The discount is taken off of gender-distinct rates for qualifying business owners.

To be eligible for the Business Owner Discount, the qualifying business owner:  
continued

<sup>1</sup> Discounts cannot be combined on business overhead expense insurance; only one discount per policy. Current multi-life and association discount rules remain in effect. The 10 percent discount is not available for 5A occupations in Florida.

<sup>2</sup> With Platinum Advantage, the Business Owner Discount is available to all occupations in classes 2A, 3A, 4A and 5A, except for financial advisors, financial planners or insurance producers, or those listed under Financial Services, Entertainment Industry or Real Estate. With Protector Platinum, the Business Owner Discount is available to all occupations in classes B, A, 2A, 3A, 4A and 5A, except those listed under Financial Services, Entertainment Industry or Real Estate. For more information see the [Online Reference Product Guide](#).



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Standard Insurance Company  
1100 SW Sixth Avenue  
Portland OR 97204

[www.standard.com/di](http://www.standard.com/di)

B123, B128, B152, B170

Business Owner Rewards  
SI 12232DIY (7/18)

- Must own at least 20 percent of the business
- Must have been financially successful for at least the last two years under the current business arrangement, as supported by appropriate business income documentation

For the Business Owner Discount with Platinum Advantage, applicants must also employ at least one full-time equivalent W-2 employee.

## Business Owner Upgrade<sup>3</sup>

Business owners purchasing Business Overhead Protector or Business Equity Protector<sup>SM</sup> have the opportunity to upgrade their occupation class when they:

- Own at least 20 percent of their business, and
- Have been financially successful for at least the previous two years under the current business arrangement, as supported by appropriate business income documentation.

With the Business Owner Upgrade come the enhancements that higher occupation classes offer. These may include:

- Increased benefit amounts
- Additional optional benefit riders
- Reduced premiums

## Newly Self-Employed Business Owners With Work Experience In The Same Professional Capacity

Newly self-employed business owners with work experience in the same professional capacity may be eligible for individual disability income insurance coverage based on their historical W-2 earnings. Insurable income is based on 75 percent of each individual's final, annual earnings rate as a non-owner employee in the same profession as his or her new business. This is available to occupation classes 5A, 5P, 4A, 4P, 4S, 3P and 3D.<sup>4</sup>

To be eligible, the business owner must:

- Have established a new business within the past 12 months;
- Be actively involved in the operation of the business;
- Be actively generating revenue at the time of underwriting;
- Have been employed in the same professional capacity for at least three years as a non-owner employee immediately before becoming an owner, earning at least \$50,000 annually; and

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<sup>3</sup> Upgrades are subject to final approval by an underwriter of The Standard. Please see the [Online Reference Product Guide](#) for more information.

<sup>4</sup> Other occupation classes may also be eligible with a maximum IDI Issue & Participation of \$1,000. Maximum individual disability income Issue & Participation Limit is \$10,000 for 5A and 4A occupation classes, and as published in the [Online Reference Product Guide](#) for 5P, 4P, 4S, 3P and 3D occupation classes. The Standard reserves the right, on a case-by-case basis, to request additional financial information or modify its underwriting approach. This program is not available to those listed as "No" in the Occupation Classification List in the product guide.

- Have provided documentation of two years' prior income. Bonus income may be included depending on occupation, bonus history, and how the bonus was generated. Fluctuating income may be averaged.

## Earned Income Enhancer<sup>5</sup>

Consider the Earned Income Enhancer a complement to the Business Owner Discount because sometimes the amount of income earned may not accurately reflect the amount of income that needs to be protected. The Earned Income Enhancer is available with Platinum Advantage, Protector Platinum and Protector Essential.

The Standard's Earned Income Enhancer allows business owners to qualify for up to \$2,000 in additional coverage (within issue and participation limits) than non-business owners with the same occupation class.

In order to be eligible for the Earned Income Enhancer, the qualifying business owner must:

- Own at least 20 percent of the business and
- Have been financially successful for at least the last two years under the current business arrangement, as supported by appropriate business income documentation

To determine the amount of additional coverage available using the Earned Income Enhancer, use the calculation below:

$$\text{Earned Income} \times 120\% = \text{Amount of earned income used to determine coverage}$$



<sup>5</sup> The Earned Income Enhancer is not available to podiatrists and those listed with occupation classes under Real Estate or Entertainment Industry or as a "No" in The Standard's occupation classification listing. Please see the [Online Reference Product Guide](#) for more information.