

# Business Owner Rewards



Small business owners are as much at risk of becoming disabled as other professionals. Did you know that more than one in four of today's twenty-year-olds will become disabled before reaching age 67?<sup>1</sup> Your clients can take advantage of the following rewards and discounts designed with business owners in mind.

## Business Owner Grid

Business owners may now qualify for an improved occupation class. And this reward may be added to other rewards they may be eligible for.

A qualifying business owner must meet these criteria:

- Own at least 20% of the business
- Have minimum 2 years of ownership
- Perform manual duties less than 25% of the time

If your client satisfies requirements, use the Business Owner Grid below to find their occupation class:

If a business owner's earnings are:		And they have this number of full-time employees:		Then, they qualify for a new occupation class of:
\$150,000 or more	+	10 or more	=	5A
\$100,000 or more	+	5 or more	=	4A
\$60,000 or more	+	1 or more	=	3A

The Business Owner Grid is not available to financial advisors, financial planners or insurance producers, or those listed under financial services, entertainment industry or real estate. The grid also excludes P, D and S occupations.



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<sup>1</sup> Social Security Administration Fact Sheet, 2021

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## Business Owner Discount

The Business Owner Discount provides a 10% discount on Platinum Advantage gender-distinct rates for qualifying business owners.

To qualify, the business owner must:



- Own at least 20% of the business
- Have been financially successful for at least the last two years under the current business arrangement, as supported by appropriate business income documentation
- Employ at least one full-time equivalent W-2 employee

The Business Owner Discount is available to all occupations in classes 2A, 3A, 4A, and 5A, except financial advisors, financial planners or insurance producers, or those listed under Financial Services, Entertainment Industry or Real Estate. For more information see [The Standard's IDI Product Guide](#).

## Newly Self-Employed Business Owners

Newly self-employed business owners with work experience in the same professional capacity may be eligible for coverage based on historical W-2 earnings. Insurable income is based on 75% 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>2</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
- 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>3</sup>

Consider the Earned Income Enhancer a complement to the Business Owner Discount.

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.

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.

The qualifying business owner must:

- Own at least 20% 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 on the right:**

Earned Income x 120%
=
Amount of earned income used to determine coverage

<sup>2</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 Standard's IDI Product Guide](#) for 5P, 4P, 4S, 3P and 3D occupation classes.

<sup>3</sup> The Earned Income Enhancer is not available to podiatrists and those listed with occupation classes under Real Estate or Entertainment Industry. Please see [The Standard's IDI Product Guide](#) for more information.