

MassMutual Disability Income 9200 Series BOE

Overview

9200 Series BOE is an individual expense reimbursement contract designed to help a business owner or self-employed professional meet business expenses – not personal expenses – when that professional or business owner is unable to work at the business due to a sickness or injury. Sole proprietors, partners, and corporate owners face two problems when a disability strikes:

- Personal expenses such as the mortgage, food bills, car payments, etc.
- Business expenses such as rent, phone, utilities, employees' salaries, etc.

The personal expenses are best covered by an individual disability income insurance policy. However, personal coverage alone will not be adequate to meet both personal and business expenses. The BOE contract pays the business expenses and helps to ensure that the disabled business owner has a business to return to upon recovery. **As of 1/03, this product is only available in New York and Florida.**

BOE coverage may be converted to disability income insurance if the Insured no longer has Covered Overhead Expenses.

Markets

Those businesses – sole proprietors, partnerships or corporations – that are highly dependent on the business owners on a day-to-day basis are great opportunities for a 9200 Series BOE policy. The ideal business will have 5 or fewer business owners and no more than 8 employees.

Specifications

Policy Design	Non-cancelable Guaranteed renewable to age 65 Participating contract
Occupational Classes	A, 2A, 3A, 4A and 5A
Waiting Periods	30, 60, 90 Days
Benefit Periods	12 and 24 Months
Issue Ages	18-59
Definition of Disability	Disability may be Total Disability or Partial Disability. Both types of disability require the Insured to have an incapacity that is due to injury or sickness begins while the policy is in force and under a doctor's care.
Total Disability	Inability to perform the substantial and material duties of the Regular Occupation and not engaged in any occupation for compensation, wage or profit.
Partial Disability	The incapacity must reduce the insured's ability to work, cause a Loss of Business Income of at least 20%, and Net Overhead Expenses (covered overhead expenses less business income) must be incurred.
Discounts	10% (discount is subject to home office approval)
Premiums	Unisex rates Level premiums only
Premium Surcharge	Smoker 10%

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INVEST

INSURE

RETIRE

Specifications cont.

Business Expenses Covered	• Rent • Heat • Electricity • Other fixed charges that are normal and customary in the operation of the Insured's office or place of business • Laundry • Telephone • Employees' salaries
Expenses NOT covered	• Salaries, fees or drawing account for the Insured • Profit or other remuneration for the Insured or for any member of the Insured's family not continuously employed by the business for the 90 days prior to the date disability began • Cost of any goods, merchandise, materials, equipment, furniture or implements
Net Overhead Expenses	Total Disability – during total disability, Net Overhead Expenses are the greater of: • Net Overhead Expenses as specified for Partial Disability: or • Covered Overhead Expenses. In this case, Business Income for the month is considered to be zero and compensation to anyone engaged in the same business or profession as the Insured is not a Covered Overhead Expense Partial Disability – Net Overhead Expenses for a month of Partial Disability are the excess, if any, of Covered Overhead Expenses over Business Income for that month. If Business Income is greater than Covered Overhead Expenses, no benefit is payable for that month
Amount of Monthly Benefits	The policy provides for a minimum of 50% of the monthly benefit for each of the first 6 months for which disability benefits are payable. For subsequent months, each monthly payment is the excess of cumulative Net Overhead Expenses over the sum of the monthly payments already made (<i>minimum benefit is \$100</i>). The total of all payments made for a period of disability cannot exceed the Maximum Aggregate Benefit.
Carry-Forward Feature	Any unused benefits – from those months when business expenses are less than the monthly total disability benefit – while the insured is totally disabled can be carried forward to a later month to be used to reimburse expenses that exceed the monthly total disability benefit. This benefit: • Allows the insured to carry forward unused benefits • Allows the insured to carry forward unreimbursed expenses

Riders

Business Insurability Protection Rider (BIPR)	The Business Insurability Protection Rider (BIPR) protects physical insurability by providing two-year option periods during which additional coverage for business overhead expenses may be purchased, subject to financial insurability only. The rider amount may be exercised in full or in part during each option period. Double the rider amount is available during the first option period. BIPR may be exercised more than once during an option period (<i>subject to financial insurability, minimum policy/rider amounts and the option amount available</i>). Maximum rider size: • \$1,000 for 3A, 4A and 5A • \$500 for 2A • \$300 for A policies Options end at age 51 or after three option periods (whichever is later). This rider is not available for rated policies.
Increase in Monthly Benefit Rider (IMBR)	This rider allows the owner of a Business Overhead Expense policy to increase the monthly benefit for Net Overhead Expenses without purchasing a new BOE policy. Only available after original issue, this rider may be used to either increase benefit amounts under the BIPR (<i>financial underwriting only</i>) or through fully underwritten increases in coverage. This rider is not available for rated policies.

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