

PAYCHECK POWER® SERIES

Business Expense Power® .....

# Giving You the Power

..... to Help Protect Your Business



# Table of Contents

<b>Help Protect Your Business</b> .....	<b>2</b>
<b>Common DI Terms</b> .....	<b>3</b>
<b>Eligible Business Expenses</b> .....	<b>4</b>
<b>About Business Expense Power®</b> .....	<b>5</b>
<b>Business Owner Rewards</b> .....	<b>6</b>
<b>Return of Premium Advantage</b> .....	<b>7</b>

## Help Protect Your Business .....

As a small business owner, you rely on your hard work, dedication and expertise to generate revenue, to pay business expenses and earn a living. The work you do every day helps pay ongoing business expenses, such as rent, utilities, employee salaries, and property and payroll taxes. It also provides you with income to pay your personal bills, save for the future and enjoy life's simple pleasures.

Have you considered what would happen if you became sick or hurt and Totally Disabled? Who would earn the income to pay business expenses and personal bills?

Disability income insurance (DI) can help. A business expense DI policy can help keep your business viable by reimbursing you monthly for eligible fixed business expenses should you become Totally Disabled and unable to work. If you pair that with an individual DI plan that provides a monthly benefit to help pay your basic personal expenses such as rent, mortgage, utilities, or groceries in the event of Total Disability, you have the power to help protect your financial security.

You work hard for what you have. Help protect your business, your income, your way of life and your future with DI.

\*Definition of Total Disability differs in LA and UT. See your policy for complete terms of coverage.

### What does Total Disability mean?

Total Disability\* for any one period of disability starting while this policy is in force means your inability to perform all of the substantial and material duties of your occupation and you are not engaged in any other occupation for wage or profit.

**A Total Disability can be a serious event that needs some advance planning.**



## Common DI Terms

Here are some common terms you may hear when discussing what plan will fit your needs. If you have any questions, don't hesitate to ask your agent. He or she is there to help you make informed decisions.

### Benefit Amount:

The amount you receive from the insurance company each month. The benefit amount helps you cover eligible fixed monthly business expenses.

**Simple Solution:** See the list of eligible business expenses on the next page and think of how much you may need to cover these costs each month.

### Benefit Period:

The length of time you will receive payments from your insurance company, which will vary based on your policy. Benefit periods are variable but most common are 12, 18 or 24 months.

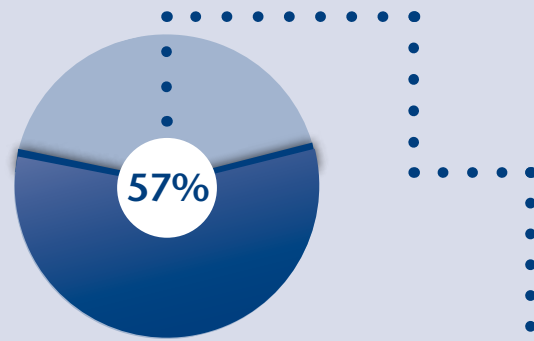
**Simple Solution:** Consider how long you may need a DI benefit payment to help cover business expenses before you could get back to work or find other resources and choose the benefit period that best fits those needs.

### Elimination Period:

An elimination period is the number of continuous days you must be Totally or Partially Disabled before your disability income insurance benefits become payable. Elimination periods are offered at various lengths depending on your needs and typically range from 30 to 90 days.

**Simple Solution:** Think about your monthly business expenses. How long could you go without generating income to pay those expenses? 1 month? 2 months? 3 months? Many business owners find a 30-day option is often a smart choice as even a few weeks can be a long time to go without generating income to pay the expenses for your business.

## Are you protected?



**57%** of working Americans report that they have no disability insurance and remain vulnerable to losing their income due to an illness or injury.<sup>1</sup>

<sup>1</sup>Council for Disability Awareness, America's Income Protection Picture, 2014



# Eligible Business Expense . . . . .

As a small business owner, if you become Totally Disabled and unable to work, there's more at stake than just your personal obligations. You also have your ongoing business expenses to consider. A Business Expense Power® policy may cover the following eligible business expenses:

## Employee Salaries

- Includes employees salaries except: salary of the insured, someone who replaces the insured, and any family member working less than 3 months for the insured

## Facility Expenses

Such as

- Lease or Rent Payments
- Mortgage and Loan Interest
- Property and Liability Insurance
- Maintenance
- Utilities

## Operational Expenses

Such as

- Equipment (lease or rental)/Tools
- Office Maintenance and Repairs
- Billing and Collection Fees
- Postage

## Taxes

- Property and Payroll
- Depreciation

## Professional Expenses

Such as

- Dues and Subscriptions
- Memberships (e.g. Chamber of Commerce)
- Professional License Fees

### A smart choice for your business

Disability income insurance gives you the power to help keep your business viable by reimbursing you monthly for eligible fixed business expenses in the event of Total Disability. It's a smart way to help protect your business and your future.



# About Business Expense Power®

## DI Designed for You

Business Expense Power® was designed with many key features built right into the base plan.

### Basic Policy Features Include:

- Premiums are generally tax deductible as a business expense\*
- Guaranteed renewable to age 67, which means as long as premiums are paid, the policy cannot be canceled
- Receive base benefits in addition to Social Security or workers' compensation
- 24-hour coverage, 7 days a week, on or off the job

\*Illinois Mutual, its agents and representatives may not give legal or tax advice. You should consult an independent tax advisor regarding your particular circumstances.

## Personalize Your Policy

Business Expense Power® also gives you the flexibility to personalize your plan. Your agent can help you tailor your policy to meet your specific needs. For example, Illinois Mutual offers several options that allow you to select additional protection. These options are available at an additional cost. Below are two of our most popular options.

### • Return of Premium Rider

Provides DI coverage if you need it, your money back if you don't. From ages 65 to 67, you are eligible to receive a refund of 100% of the money you spent on policy premiums less any benefits already paid. Any benefits that may accrue under the policy after the Return of Premium amount has been paid will be payable only to the extent such benefits exceed the Return of Premium amount.

### • Guaranteed Insurability Option (GIO) Rider

As your DI needs change, the GIO Rider allows you to get the DI coverage you need now with the option to purchase additional coverage in the future without evidence of good health. You can purchase additional coverage up to 5 times, every 12 months prior to age 60.

**Additional optional riders may be available.**

**Ask your agent for details!**



# Business Owner Rewards . . . . .

Small business owners are busy and it's not always easy for you to find time to get everything done. That's why Illinois Mutual wants to reward you for taking the time to protect your business and your income with DI. Put your DI plan in place and take advantage of these Business Owner Rewards!

## 5% Premium Discount

As a business owner, you are eligible to receive a 5% premium discount on an Illinois Mutual Personal Paycheck Power® policy and Business Expense Power® policy when both coverages are applied for together and issued. The 5% discount applies to both policies.

## Business Owner Allowance (BOA)\*

If you are a business owner and apply for Personal Paycheck Power®, Illinois Mutual will increase your insurable net earned income by 25% so that you can qualify for more benefits.

This 25% increase is subject to a maximum \$1,000 of additional monthly benefit. Published issue and participation limits still apply.

\*Not available to Class 4 occupations or chiropractors. The BOA can be denied on above-average risk cases.



### You may qualify for the Business Owner Class Upgrade!

The Business Owner Class Upgrade means lower premiums and allows you to apply for optional benefits and riders that are available to the upgraded occupation class. This may mean you have even more coverage options available to you. Make sure to ask your agent if you qualify!

**For more information, visit:** [www.BusinessExpensePower.com](http://www.BusinessExpensePower.com)

DI is an important part of a comprehensive protection plan. Your agent can help you build a plan that is right for your specific needs and budget. Take the step today to make sure you have a plan in place for whatever tomorrow may bring.



# Business Expense Power® in Action . . . . .

## Return of Premium Example:

Your ability to keep your business running and earn an income is one of your most valuable assets – that’s why you should help protect it with DI. But, what if you never need to use your DI policy? There’s a simple solution – the Return of Premium Rider.

Mike\*, a 35-year-old non-tobacco user, is interested in a business expense policy, but is reluctant to pay for something he may not use. He’s looking for a 30-day elimination period with a 24-month benefit period. Here’s how the Return of Premium Rider can work for him:

Selection	Monthly Premium	Monthly Premium
Total Monthly Benefit (\$1,500/month)	\$30.73	\$30.73
Return of Premium Rider	\$ 0.00	\$12.29
<b>Total Premium</b>	<b>\$30.73</b>	<b>\$43.02</b>

Without the Return of Premium Rider, Mike would pay a monthly premium of \$30.73 for DI coverage, but would receive no Return of Premium upon termination of the policy or at the Renewal Age.

The difference in these two options is just \$12.29 per month.

Total Return of Premium to Mike (assuming no claim(s) paid) at Age 67	
Without Return of Premium Rider	With Return of Premium Rider
\$0.00	\$16,520.32

Paying an additional \$12.29 per month for the Return of Premium Rider gives Mike the opportunity to receive a Return of Premium of \$16,520.32 at age 67. If Mike received benefits under his policy over the years, the Return of Premium amount would be less.

**Since 1972, Illinois Mutual has returned more than \$100 million in premiums to return of premium DI policyowners!\*\***

\*For illustration purposes only. Actual benefits and premiums rates are determined individually and are subject to underwriting results. Age, health, occupation, and gender can impact premium rates. Options have an additional cost. Availability of some features and options may vary by state, benefit period and occupation class. Sample illustrations based off of occupation class 3, IL rates, non-tobacco user, no health concerns, standard height and weight.

\*\*As of 12/31/2015





[www.IllinoisMutual.com](http://www.IllinoisMutual.com)



Policy Form DI105, Disability Income Policy  
Policy Form BE105, Business Expense Policy  
Policy Form 9266, Return of Premium Rider  
Policy Form 3166, Guaranteed Insurability Option Rider

Not available in AK, CA, DC, HI or NY. Coverage and availability may vary in other states.

These policies have exclusions, limitations and terms under which the policies and options may be continued in force or discontinued. Contact your agent or Illinois Mutual for more information.

Please note product availability and features may vary by state. Policy Language controls. Refer to the policy for details, limitations, exceptions and reductions.

#### Pre-Existing Condition Limitation

During the first 2 years after the Date of Issue, this Policy will not pay benefits: (1) for any conditions diagnosed or treated by a physician within 2 years prior to the Date of Issue; or (2) for any condition which caused symptoms within 2 years prior to the Date of Issue that would have caused an ordinarily prudent person to seek medical diagnosis, care or treatment. One year in MN, MT, NC, ND and VA; nine months in NH; no pre-existing time frame applicable in NM.

#### Exceptions and Reductions

We will not pay benefits for disability that results (a) from normal pregnancy or childbirth (not excluded in KS); (b) from intentionally self-inflicted injury or sickness; (c) from your commission or attempted commission of a felony; (d) from war, declared or not; (e) from any military service, except during active duty for training of less than 60 days. The pro rata premium will be refunded for a period during which you are not covered for such military reason; or (f) we will not pay benefits while you are incarcerated in any penal or correctional institution (not applicable in MN, ND, NJ or VA.).

#### Limited Benefits for Mental or Nervous Disorders, Alcoholism or Drug Abuse

The total amount payable under the policy for total disability caused or contributed to by a mental or nervous disorder or alcoholism or drug abuse shall not exceed a cumulative lifetime maximum of 24 months.

#### Limited Benefits for Foreign Travel

If Totally Disabled due to an injury or sickness sustained or continued while outside of the United States, Canada or Mexico, the Maximum Total Disability Benefit Period will be limited to 90 days. After the 90 day period, benefits will not be paid until returning to the United States, Canada or Mexico. Any benefits paid will be deducted from the remaining period of disability if you are still Totally Disabled upon your return to the United States, Canada or Mexico.