



# DI for Business Owners

## Business Owner Upgrade and Income Enhancer Programs

**Small businesses employ almost half of working Americans. Many have only a handful of employees and are the least likely to have group disability plans. Ameritas offers many options for business owners to protect their income if they become too sick or hurt to work.**

The Business Owner Upgrade Program helps provide cost savings with the ability to upgrade one or two occupational classes. The Business Owner Income Enhancer is a feature that allows an increase of insurable income by an additional 20% to help business owners cover the loss of company perks.

### Upgrading one occupational class

Business owner clients may be eligible for a one class upgrade if:

- The original occupational class is 4A, 3A, 2A, or A on individual DI contracts or;
- The original occupational class is 4A, 3A, 2A on Business Overhead Expense contracts and;
- They have owned at least 20% of a stable, financially successful business for the last two years (supported by appropriate financial documentation).

### Upgrading two occupational classes

Business owner clients may be eligible for a two class upgrade if:

- The original occupational class is 3A, 2A, or A on individual DI contracts or;
- The original occupation class is a 3A or 2A on BOE contracts and;
- They have owned at least 20% of a stable, financially successful business for the last two years (supported by appropriate financial documentation).
- If manual duties exceed 25%, the Managerial Duties Endorsement\* may be required.

\*Subject to state availability. If not available, most business owners are limited to a one-class upgrade.

### Example client

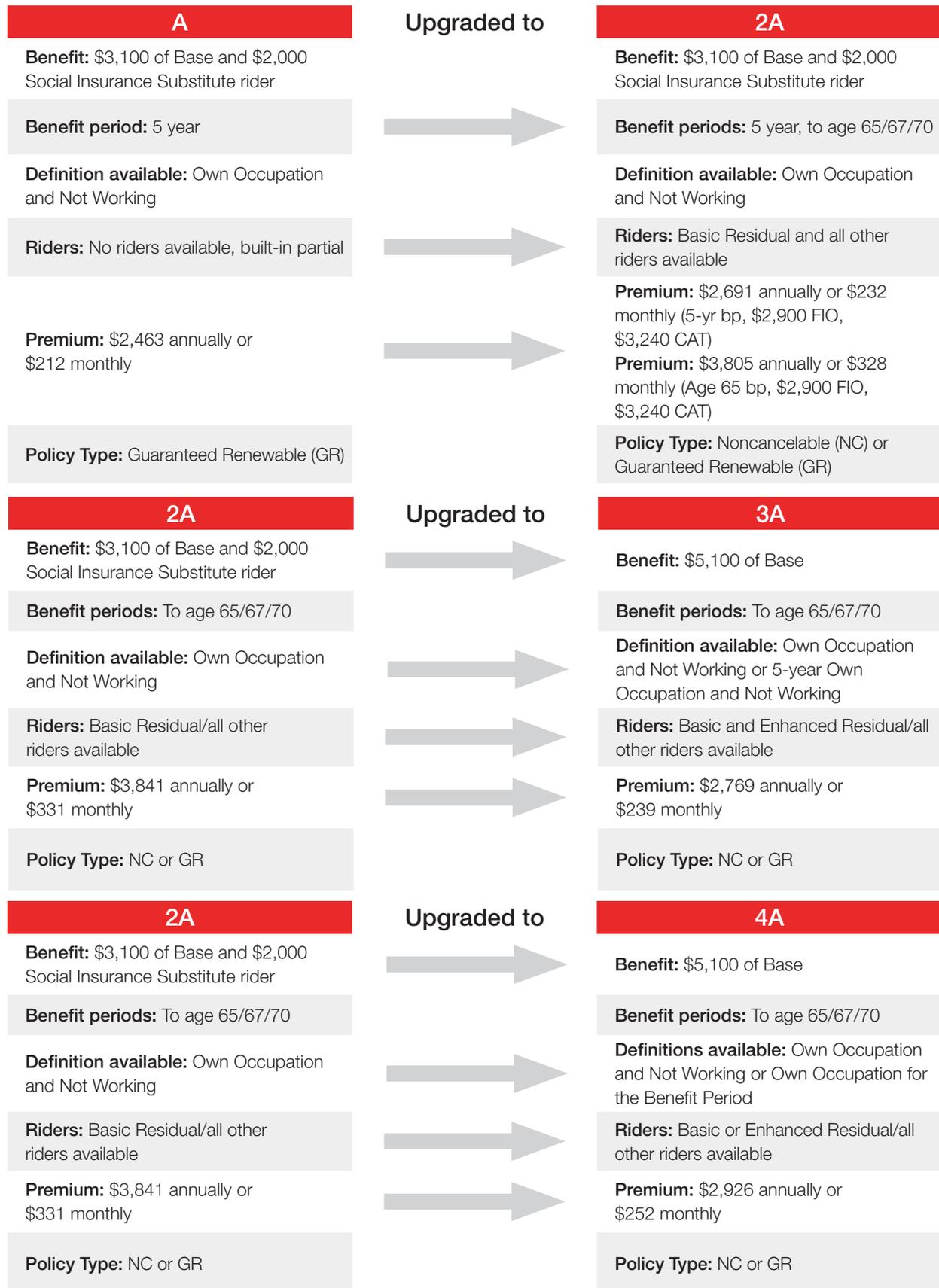
Owner of a small construction company:

- Six full-time employees.
- Uses contractors for larger, or specialty jobs.
- Been in business almost 20 years.
- Consistently profitable.

(The following scenarios are based on a male, age 45, non-tobacco, \$5,100 monthly benefit, 5-year benefit period, Guaranteed Renewable and Own Occupation Not Working definition, otherwise as indicated).



## What this can do for your client



## Managerial Duties Endorsement

The Managerial Duties Endorsement (MDE) will be used with those qualifying business owners who perform manual duties in their usual course of daily duties. The MDE protects business owners in the event a disability prevents them from performing the managerial duties only of their occupation.

Let's assume that clients spend the majority of their time on bookkeeping, ordering supplies, scheduling personnel and advertising, but will occasionally do some manual duties. The underwriter may have concerns that the amount of time clients spend on performing manual duties could be a greater risk than is acceptable for the occupation class requested.

In this situation, the underwriter has the option of adding the MDE to the policy. In exchange, disability will be determined solely by your clients' inability to perform the managerial duties of their occupation.

Without the managerial duties endorsement the business owner may not be eligible for an upgrade.

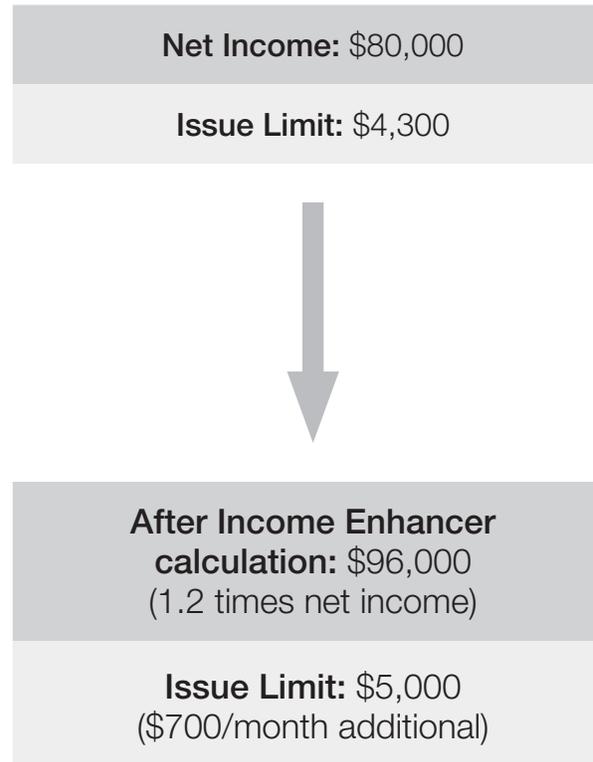
## Business Owner Income Enhancer

The Business Owner Income Enhancer is a feature that allows an increase of insurable income to help business owners cover the loss of company perks. It allows you to increase your clients' net income by 20%, not to exceed an additional \$2,000/month issue limit. The criteria for this feature is as follows:

- Occupational classes 6A, 5A, 4A, 3A, 2A, A (non-medical), 6M, 5M, and 4M (MDs or DOs). Note, dentists and dental specialties are excluded from the income enhancer program.
- They have owned at least 20% of a stable, financially successful business for the last two years (supported by appropriate financial documentation);
- The calculation is determined by using the following formula:  $\text{insurable income} \times 1.20 = \text{new income amount}$
- For income amounts over \$500,000, you will need to confirm the benefit amount (driven from the enhancer calculation above) does not exceed \$2,000 monthly benefit;
- The total of all DI coverage in force and applied for (including the benefit driven from the enhancer calculation) may not exceed our Maximum Issue and Participation Limits.

## What this can do for your client

Look at the same construction company owner. His annual salary grosses well into six-figures, however, after all expenses, nets \$80,000. Not only can he upgrade one or even two occupational classes, he also qualifies to use the Income Enhancer.





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