



Help protect the business you've built

Got business loans or debt? Taking on debt or committing to a financial agreement is a necessary part of building a successful business or practice.

Perhaps you took out a loan to purchase or expand your business. Maybe you borrowed to buy new equipment, property or office space. Or perhaps you offered a guaranteed salary contract to a key employee. But how would you satisfy that obligation if you were to become disabled?

Coverage specifically for business loans can help

It's important to have a strategy in place to protect your ability to meet business obligations in case disability strikes. Our Business Loan Protection helps protect your ability to make payments on fixed-term financial obligations such as business loans, practice-purchase loans, and salary contract guarantees.

Option to combine with Overhead Expense

You may already own Overhead Expense (OE) disability insurance to cover rent, utilities, and payroll expenses. OE provides benefits for a period of up to 24 months — designed to help you recover from your disability and return to your business, or preserve the business's value should you need to sell. Business Loan Protection can coordinate with OE for a comprehensive business protection strategy. Use OE to cover most of a business's overhead expenses, and leverage Business Loan Protection to help cover the entirety of the business mortgage or other longer-term loan.

Valuable benefits that protect your business's ability to meet loan and fixed-term financial obligations

With our Business Loan Protection, you can expect a policy that:

- Covers
 - Up to 100% of your monthly loan payments (principal and interest).
 - Up to 100% of the net after-tax cost of employment contract payments.



Keep contractual payments on schedule

If you were to become totally disabled from an illness or accident, Business Loan Protection coverage could fund up to 100% of any financial obligation that requires regular payments over a defined term, such as:

- Loans
 - Business start-up or practice purchase
 - Capital improvement or expansion
 - Other fixed-term loans that depend on the business talents of a key individual for repayment
- Contracts
 - Employment contract guarantees
 - Contract performance guarantees
- Agreements
 - Purchase
 - Lease

- Offers a choice of
 - Term: 5–30 years.
 - Elimination period: 30, 60, or 90 Days
- Provides
 - True Own-Occupation Definition of Total Disability provides you the ability to receive your full disability benefits, even if you're gainfully employed in another occupation or capacity.
 - A Waiver of Premium Benefit for total disabilities lasting 90 days or more.
- Is often considered an acceptable form of loan collateral for banks.
- Helps protect your business and credit rating from the negative consequences of a loan default.

Match the policy duration to the term of your loan

This coverage can be applied for at any time, whether you're just taking out the loan, or whether you're partway through paying it off. The policy duration is matched to the remaining length of your financial obligation, giving you precisely the coverage you need.

Consider the example of a policy acquired just as you take out a ten-year loan. The policy term would also be ten years. The number of months for which the policy provides benefits is reduced as you pay down the debt and the length of the financial obligation shortens. However, the full monthly benefit is payable until the policy's date of termination or the insured recovers.

So, in this example, if you were to become totally disabled three years after taking out the policy, and remained totally disabled, your loan payments would be covered for the remaining seven years of your loan.

Next steps

- Consider your ability to continue making loan payments, fulfilling salary contracts or paying practice or business purchase agreements if you were to become disabled.
- Ask your financial advisor or insurance representative about disability insurance coverage specifically for business loans.
- Compare the cost of the policy versus the cost to your business, personal wealth and credit rating if you were to default on a loan or fail to meet your financial commitments while you were disabled.
- Complete an application.
- Ask your financial representative about disability insurance to:
 - Fund buy-sell Agreements
 - Reimburse for overhead expenses
 - Cover personal disability for you, your partners and key employees

You or a partner disabled? What are the chances?

Higher than you probably think. You can ignore the problem, but it's hard to ignore the facts.

- Just over 1 in 4 of today's 20-year-olds will become disabled before they retire.¹
- Freak accidents are *not* usually the culprit. Back injuries, cancer, heart disease, and other illnesses cause the majority of long-term absences.²

Don't let a disability disable your ability to meet your financial obligations

The Guardian Life Insurance Company of America

guardianlife.com

New York, NY

¹ U.S Social Security Administration Fact Sheet, Dec. 2019.

² Council for Disability Awareness 2014 Long-Term Disability Claims Review.

Individual disability insurance policy forms 4200 and 18OE underwritten and issued by Berkshire Life Insurance Company of America, (BLICOA) Pittsfield, MA. BLICOA is a wholly owned stock subsidiary of The Guardian Life Insurance Company of America, New York, NY. Product provisions and availability may vary by state. In New York: This policy provides disability insurance only. It does not provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. For policy forms 4200 and 18OE, the expected benefit ratio is 50%. For policy form 18OE-F, the expected benefit ratio is 60%. The expected benefit ratio is the portion of future premiums that the company expects to return as benefits, when averaged over all people with this policy form.

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