



Disability insurance

a solution for business

Overhead expense plan

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Don't let a disability cost you your business

You've worked hard to make your business a success. You enjoy the rewards when it's running smoothly and want to stay involved as long as you can.

But what if a disability should strike you, or a key employee?

It's not as unusual as it might seem. One in three Canadians will become disabled for more than 90 days, at least once, before the age of 65.*

* Source: CIA 86-92 Aggregate Mortality Table & 1985 Commissioner's Disability Table A (Experience Table)

During a disability, revenue and savings could diminish rapidly, but business expenses may not. If that happens, you could face challenges in keeping business revenue and savings steady.

It's why an overhead expense plan may be an option. It provides coverage for your monthly business expenses.

■ What is an overhead expense plan?

It's a non-cancellable disability insurance policy for business owners which could help cover the cost of eligible business expenses during a disability.

■ How long does coverage last?

There are two length-of-coverage choices. Coverage can be purchased to provide benefits for disabilities lasting:

- Up to 12 months
- Up to 24 months

■ How much coverage is available?

Coverage depends on occupation and industry, and is based on the actual amount of your eligible monthly business expenses. Contact your advisor for an illustration.

■ Advantages

An overhead expense plan can help you:

- Focus on recovery
- Retain valued staff
- Pay ongoing expenses and avoid financial downfall
- Keep your business on track

If you don't become disabled, an overhead expense plan, with a return-of-premium (50%) rider can:

- Return up to 50 per cent of the yearly eligible premium paid or waived on certain dates*

* Provided the insured is not disabled at the end of the applicable return period and any benefits paid and any eligible premium waived or refunded have not exceeded 20 per cent of the total amount of eligible premium that was paid or waived.

No one expects to be disabled: a disability insurance solution for business owners



Robert is a dentist with a growing practice. Driving home one evening, he sees an oncoming car spin out of control and swerves to avoid a collision. The next thing he remembers is waking up in the hospital. Scheduled for immediate reconstructive surgery, he's told to expect months of rehabilitation before he can walk again.

Although his health should be his top priority, Robert knows he still needs to make important decisions for his dental practice. The next morning, his office assistant cancels all appointments until Robert can determine how to proceed. Within a month, a short-term replacement is hired. Patients are rescheduled and Robert's staff struggle to regain 40 per cent of previous business and revenue.

■ Robert assumes he'll be able to return to work. In the meantime:

- Robert's staff is his only link to the business until he's back at work. How can he assure them their salaries will be covered?
- How will other monthly expenses be covered?

Disabilities are surprisingly common

How well could your business cover expenses with a disabled owner?

The percentage probability of at least one long-term disability lasting at least 90 days before age 65

Age	Number of business owners		
	1	2	3
30	42%	66%	80%
40	37%	60%	75%
50	28%	49%	63%

Source: 1985 Commissioner's Disability Table A (Experience Table)

Disabilities lasting longer than 90 days tend to be long term. How long could your business stay open?

Percentage of people who will become disabled for at least 90 days prior to age 65 and average duration of disability

Age	% Disabled	Average duration
30	42%	3.2 years
40	37%	3.9 years
50	28%	4.7 years

Source: 1985 Commissioner's Disability Table A (CIDA), blended 50/50 male/female and 50/50 accident/sickness



An overhead expense plan may provide coverage for your monthly business expenses.

Sample of monthly expenses for a person with a dental practice

Salaries.....	\$10,765.15
Rent.....	2,975.00
Utilities.....	1,644.35
Janitorial/maintenance.....	857.78
Property taxes.....	n/a
Property insurance.....	n/a
Furniture/equipment/vehicle leases.....	856.88
Business loans or depreciation.....	413.89
Telephone.....	193.54
Postage or courier.....	n/a
Accounting and legal services.....	284.07
Professional, trade or union fees.....	167.33
Business insurance.....	430.00
Business taxes.....	n/a
Total business overhead expenses.....	\$18,587.99

The solution is an overhead expense plan to protect monthly business expenses.

How does Robert use his policy for coverage

Robert is reimbursed his eligible monthly expenses up to the maximum monthly expense benefit amount he selected for his policy. He is reimbursed for his regularly incurred expenses such as:

- Employee salaries
- Rent
- Utilities
- Dental equipment lease costs
- Telephone and fax lines

These are just a few of the eligible expenses that can be reimbursed.

In addition, Robert knows if his expenses are less than his monthly expense benefit, the difference is not lost, but carried over to future months up until his maximum total expense benefit has been depleted.



In Quebec, advisor refers to a financial security advisor for individual insurance and segregated fund policies; and to an advisor in group insurance/annuity plans for group products.

For more information about Canada Life and its products, visit www.canadalife.com. For more information about how disability insurance may fit your needs ask your financial advisor for an illustration.

The Canada Life Assurance Company, a subsidiary of The Great-West Life Assurance Company and a member of the Power Financial Corporation group of companies, provides insurance and wealth management products and services. Founded in 1847, Canada Life is the country's first domestic life insurance company.

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