

Assurity®

Business Overhead Expense Disability Income Insurance Product Guide

FOR AGENT USE ONLY. NOT FOR USE WITH CONSUMERS. NOT AVAILABLE IN NEW YORK.
Product availability, features and rates may vary by state.

Important Notice

Product Guide for AssurityBalance® Business Overhead Expense Disability Income Insurance

Assurity is a marketing name for the mutual holding company Assurity Group, Inc. and its subsidiaries. Those subsidiaries include but are not limited to: Assurity Life Insurance Company and Assurity Life Insurance Company of New York. Insurance products and services are offered by Assurity Life Insurance Company in all states except New York. In New York, insurance products and services are offered by Assurity Life Insurance Company of New York, Albany, NY.

This is a product guide for policy Form No. A-D 106. Any prior guide does not apply to this product.

Policy Form No. A-D 106 is underwritten by Assurity Life Insurance Company, Lincoln, Nebraska. The policy may contain reductions of benefits, limitations and exclusions. For costs and complete details of the coverage, please contact Assurity or review the policy. **The specific policy is your ultimate authority for any questions about this product.**

This is a generic product guide. **Product availability, features and rates may vary by state.** Key differences by state are summarized in the State Specific Information section. Your state may require a state-specific contract and/or application. State-specific applications are also available on AssureLINK, as detailed in the Forms section.

This product guide is for agent use only. It is not for use with consumers and is not for use in New York.

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Policy Description

The following policy description is according to the policy as approved in most states. Benefits and provisions may vary by state. For complete details of coverage, please contact Assurity or review the policy. Some key differences are summarized in the State Specific Information section.

AssurityBalance® Business Overhead Expense Disability Income Insurance Policy (Form No. A-D 106)

AssurityBalance Business Overhead Expense Disability Income (BOE) is a guaranteed-renewable disability income insurance policy intended for business owners with ten or less employees. It pays a monthly overhead expense benefit while the insured is totally or partially disabled, following an elimination period and up to the maximum benefit period, subject to policy provisions.

Availability: To be eligible for coverage, the business owner must:

- own the business for at least one year – tax documents required as proof;
- actively work full-time – at least 30 hours per week – in the ownership, management and administration of the business;
- have a net profit of at least \$10,000 for the prior year; and
- not be operating the business from their home.

Issue Ages: 18 through 60; age nearest birthday as of issue date

Renewability: Guaranteed renewable to age 65; conditionally renewable to age 70 if employed full time with monthly overhead expense benefits limited to 12 months

Underwriting Classes: Non-Tobacco (no use of tobacco or nicotine-based products, or substitutes within the last 12 months) and Tobacco

Benefit Amounts: \$500 through \$20,000 in \$5 increments

Benefit Periods: 12 months or 24 months

Elimination Periods: 30, 60 or 90 days

Issue Limitations: Available through Table 4 (200 percent). Not available with occupation class 1A except for truck drivers as outlined in the Occupational Guidelines section of the underwriting guide. *(Also see the Financial Underwriting Guidelines section of the underwriting guide for other issue limitations.)*

Underwriting: A traditional fully underwritten approach is used. A medical exam or medical records will be ordered if necessary. Coverage may be offered with a policy amendment rider, special class premium, longer elimination period, shorter benefit period or a combination of any of these.

Rate Structure: Premiums are level for the guaranteed renewal period; based on gender, tobacco use, age, occupation class, benefit amount, benefit period and elimination period. Premiums increase annually for the conditionally renewable period.

Policy Fee: \$40 annually (commissionable)

Premium Modes: Annual, 1.000; Semi-Annual, 0.510; Quarterly, 0.264; Monthly (automatic bank withdrawal or credit card), 0.088

Policy Benefits

The following policy benefits are according to the policy as approved in most states. Benefits and provisions may vary by state. For complete details of coverage, please contact Assurity or review the policy.

Total Disability Benefit

If the insured is totally disabled and the elimination period has been satisfied, the monthly overhead expense benefit will be paid. Benefits will continue while the insured is totally disabled or to the end of the benefit period, whichever is first.

The monthly overhead expense benefit will be the amount of monthly overhead expenses incurred in the prior month. Proof is required same as used for tax purposes. Expenses and/or benefits may be carried forward as follows:

- If monthly overhead expenses are more than the monthly overhead expense benefit, any excess expenses will be carried forward and paid in a later month where monthly overhead expenses are less than the monthly overhead expense benefit.
- If the monthly overhead expenses are less than the monthly overhead expense benefit, any excess benefit amount will be carried forward and applied to expenses incurred in a later month where monthly overhead expenses are more than the monthly overhead expense benefit.
- In no event will the sum of benefits paid, according to the sum of maximum overhead expense benefits, exceed expenses incurred during any period of disability.

Total disability is considered due to the same cause as a previous total disability if the sickness or injury causing total disability is the same as or directly related to the cause of last total disability. Total disability from a same cause is considered a continuation of a prior total disability, not subject to a new elimination period or starting a new benefit period. Total disability due to a new cause is any sickness or injury other than as defined for same cause. Total disability from a new cause is subject to a new elimination period and starts a new benefit period.

Partial Disability Benefit

If the insured is partially disabled and has resumed part-time employment immediately following a period of total disability, this benefit will be paid. Benefits will continue until the insured is no longer partially disabled or to the end of the benefit period, whichever is first, but no longer than six months. The partial disability benefit is 50 percent of the monthly overhead expense benefit.

Presumptive Disability Benefit

If the insured is presumptively disabled, total disability will be presumed and the monthly overhead expense benefit paid whether or not the insured is able to work. The elimination period does not apply to this benefit and covered overhead expenses must continue.

Survivor Benefit

If the insured dies while totally disabled and after receiving monthly overhead expense benefits for at least 12 months, a lump sum of two times the maximum monthly overhead expense benefit will be paid to the beneficiary(-ies) or insured's estate.

The benefit is only payable if such does not result in paying more than the maximum overhead expense benefit and if the insured's business interest is not sold at time of payment.

Rehabilitation Benefit

If the insured is totally disabled, the costs of a rehabilitation program may be paid up to a maximum of six maximum monthly business overhead expense benefits. If the insured's physician advises that the insured would likely return to work with a rehabilitation program, it will be required. Benefits will not be paid if the insured does not take part.

Waiver of Premium

Renewal premiums will be waived on the first premium due date after the insured has been totally disabled for 90 days. Any premiums paid during this period which became due after total disability started will be refunded.

Waiver of premium ends when the insured is no longer totally disabled or when the maximum overhead expense benefit has been paid, whichever is first.

Conversion

Coverage can be converted to an individual disability income insurance policy independent of incurred overhead expenses if:

- coverage is in force;
- coverage has been in force for at least 2 years;
- the insured is not yet age 60;
- the insured/owner requests the conversion in writing; and
- the insured is not totally or partially disabled.

The individual DI policy's monthly benefit can be as much as the BOE's monthly business overhead expense benefit within issue limits when considering other inforce coverage. Premiums for new coverage will be based on rates in effect according to the insured's age at time of request and the rate class for BOE coverage.

Definitions

The following definitions apply to the policy and riders as approved in most states. Definitions may vary by state. For a list of all definitions, refer to the actual policy and riders.

Elimination Period

The number of days the insured must be totally disabled before they are eligible to receive the benefits.

Employed on a Full-Time Basis

Working for pay at least 30 hours per week.

Maximum Monthly Overhead Expense Benefit

The maximum amount of monthly overhead expense benefit payable in any month as shown on the policy schedule.

Maximum Overhead Expense Benefit

The maximum amount of monthly overhead expense benefit payable for any one total disability.

Monthly Overhead Expense Benefit

The amount of monthly overhead expenses payable due to total disability.

Partial Disability

A condition due to sickness or injury which keeps the insured from being employed on a full-time basis; must immediately follow a period of total disability for which monthly overhead expense benefits were paid.

Pre-existing Condition

A sickness or physical condition for which, before the issue date

- symptoms existed which causes an ordinary prudent person to seek diagnosis, care or treatment; or
- medical advice was recommended by or received from a physician.

Presumptive Disability

The insured's total loss of speech, hearing, sight, both feet (amputated at or above the ankle), both hands (amputated at or above the wrist), or one hand and one foot.

Total Disability

A condition due to injury or sickness which:

- starts while the policy is in force;
- requires a physician's care unless Assurity agrees such care would not help; and
- keeps the insured from doing the important, substantial and material duties of their own occupation.

Limitations and Exclusions

The following limitations and exclusions apply to the policy as approved in most states. Limitations and exclusions may vary by state. For a list of all limitations and exclusions, refer to the actual policy.

Limitations**Mental/Nervous Disorders; Drug and Alcohol Abuse**

Assurity will pay monthly overhead expense benefits for a total of 24 months during the insured's lifetime for total disability due to mental/nervous disorders or as caused or contributed by abuse of drugs or alcohol. However, normal policy benefits will be paid as long as the insured is confined in a hospital under a physician's care for any of these conditions.

Foreign Travel

Assurity will pay three monthly overhead expense benefits for any total disability sustained or continued outside the United States, Canada or Mexico.

Pre-existing Condition

If the insured's total disability is within two years from the issue date and due to a pre-existing condition, benefits will not be paid unless the condition was disclosed and not misrepresented on the application and is not excluded by a policy amendment rider.

Exclusions

Assurity will not pay monthly overhead expense benefits for loss caused by:

- war or act of war whether or not declared;
- intentional self-inflicted injury or sickness;
- engaging in an illegal occupation;
- committing or attempting to commit a felony; or

- normal pregnancy (except for total disability caused by pregnancy or childbirth on the 91st day of total disability)

Administrative Guidelines

Premium Payment

What are acceptable methods of payment? Assurity accepts payments for initial and renewal premiums using the following methods: automatic bank withdrawal, personal checks, money orders and cashier checks in amounts below \$200 per month per policy, cashier's checks in amounts above \$10,000 and credit/debit cards when electronic applications are used. Credit/debit cards are only accepted for renewal premiums with paper applications. Please use one of these methods so that payment is credited to your policy in a timely manner.

How can premiums be paid by automatic bank withdrawal? Premiums may be deducted from the policyowner's bank account by selecting this option on the application (including information provided on the Field Underwriter's Statement) and by completing and returning an Automatic Bank Payment form. This form is available on AssureLINK or by contacting Customer Connections, as detailed in the About Assurity section. The same form may be used to change the bank account.

Automatic bank withdrawal premium payments may be drafted on any day between the 1st to the 28th of each month. If an automatic bank withdrawal payment is returned or declined, Assurity will notify the policyowner and send a copy of the notification to the agent. If a remittance is not received prior to the expiration of the grace period, lapse/non-forfeiture processing will be initiated.

How can premiums be paid by credit card? Assurity accepts credit and debit card payments for initial and recurring premium payments when electronic applications are used. We accept VISA, Master Card and Discover credit/debit cards. The credit/debit card payment option for initial payment is not available with paper applications. However, after a policy has been issued, the customer can change the payment method to recurring credit/debit card by contacting Customer Connections, as detailed in the About Assurity section. Available dates for recurring payments are on any day between the 1st to the 28th of each month. Customers also have the option of paying the premium by automatic bank withdrawal.

How are subsequent premiums billed? For policies on direct billing, the original premium notice is mailed 20 days prior to the due date. If unpaid, a reminder notice is mailed five days after the due date.

When will coverage lapse if premiums are not paid? Premiums must be paid on or before the due date or during the 31-day grace period that follows the due date. The policy stays in force during this time. If a remittance is still not received at the end of the 31-day grace period, lapse/non-forfeiture processing will be initiated. The grace period does not apply if the insured requests termination of the policy.

How can a "list bill" be set up? Premiums may be billed to the policyowner's place of employment in a "list bill" by selecting this option on the application (including information provided on the Field Underwriter's Statement) and by having the employer complete an Authorization for List Bill. Available premium modes for list bill are monthly, quarterly, semi-annual and annual. The initial premium must be remitted with the application. If you have any questions about setting up a list bill, contact Customer Connections, as detailed in the About Assurity section.

Coverage Information

Duplicate Policies

A duplicate policy is available upon receipt of the owner's signed request. A \$20 fee may apply for subsequent requests.

Coverage Changes

Increasing or Changing Coverage

The following coverage changes require a new application:

- increasing the monthly overhead expense benefit,
- increasing the benefit period,
- decreasing the elimination period, or
- upgrading occupation class.

There are two methods for increasing the monthly overhead expense benefit for an in-force business overhead expense disability income policy:

1. Complete an application for the amount of the increase in monthly overhead business benefits desired, and make arrangements for any necessary medical requirements. When the application is approved, the new policy will be issued for the amount of increase approved. The insured will then have two disability income policies in force with Assurity.

OR

2. Complete an application for the total amount of monthly overhead expense benefit desired, including the increase. Indicate on the application that the new policy will replace an in-force policy. Return the in-force policy to Assurity with the application, and make arrangements for any necessary medical requirements.

When the application is approved, the new policy will be issued for the total amount of monthly overhead expense benefit approved as of the current date. The in-force policy will be terminated. The incontestable period for the new policy will be two years from this issue date. Commissions will be adjusted according to our normal replacement rules.

NOTE: Replacement forms are required in some states. (See *General Underwriting Guidelines section of the Underwriting Guide*.)

Decreasing Coverage

The following coverage changes are allowed by contacting Assurity:

- decreasing the monthly overhead expense benefit,
- decreasing the benefit period, or
- increasing the elimination period.

These changes require either a written request to Assurity or completion of page 1 of the Application for Changes to Health Policy form, available on AssureLINK as detailed in the Forms section. The written request must be signed, dated, and indicate the change desired. When the request is approved, an endorsement detailing the changes will be sent to the policyowner to be filed with the policy.

Reinstatement of a Lapsed Policy

If the policy lapses due to nonpayment of renewal premium, the insured may apply for reinstatement up to one year from the date of lapse. The following must be provided to Assurity's administrative office:

- a completed reinstatement application form, available on AssureLINK or by contacting Customer Connections, as detailed in the About Assurity section, and
- a signed medical authorization(s).

If the application for reinstatement is approved pending payment of required premium, Assurity will notify the insured of the premium needed to reinstate the policy. Once payment is received, the policy will be reinstated on the reinstatement date – the date Assurity has both approved the application and received the premium due. Additional reinstatement procedures will be determined by the policy language approved in each specific state.

Claims Guidelines

Claims Questions

Customer Connections is available to handle telephone calls from policyholders including verifying coverage and answering policy or rider benefit questions. They can be reached as detailed in the About Assurity section.

Claims Procedures

Notice of Claim

Notice of claim must be provided to Assurity within 20 calendar days after the loss starts. If notice is not given within that time, it must be given as soon as reasonably possible.

Notice, including the insured's name and policy number, should be sent to Assurity by one of the following:

E-mail to claimsinfo@assurity.com

Fax to (800) 869-0368

Mail to: Assurity Life Insurance Company
P.O. Box 82533
Lincoln, NE 68501-2533

When Assurity receives notice of claim, the necessary proof loss forms will be sent.

Notice may also be provided by submitting necessary claims forms. Forms are available on Assurity's public site at <http://www.assurity.com> in the Customer Center by accessing the Customer Service Forms/Claim Forms section on the left.

Filing a Claim

In filing a claim with Assurity Life Insurance Company, the necessary proof of loss forms are as follows:

Claimant's Statement - Form No. 01-012-02255

Employer's Statement - Form No. 01-013-02255

Business Overhead Expense Statement – Form No. 01-062-02211

Attending Physician's Statement - Form No. 01-014-02255

Authorization Statement - Form No. 92-500-05055

Proof of loss must be returned to Assurity within 120 calendar days after loss. If not possible, the claim will not be reduced or denied for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than one year from the time of loss unless the insured is legally incapacitated.

Claim forms may be returned to Assurity by the methods described above. If forms are emailed or faxed, please do not mail the original.

Premium Rates

Illustrations

Illustrations are available on AssureLINK <https://assurelink.assurity.com> in the Product Center for this product by selecting the Quick Quotes/Illustrations option on the left.

Forms

The following forms can be found on AssureLINK at <https://assurelink.assurity.com> in the Product Center for each product by selecting the Applications/Forms option on the left.

- **Application**
- **Application for Changes to Health Policy**
 - Form No. 75-611-02255
- **Application for Reinstatement**
 - Form No. 75-652-05055
- **Authorization for List Bill**
 - Form No. 75-060-05055 (R10-15)
- **Automatic Bank Payment**
 - Form No. 18-051-05055 (R04-14)
- **Change of Beneficiary**
 - Form No. 18-612-05055 (R06-16)
- **Collateral Assignment of Disability Income Policy**
 - Form 25-502-02255 (R07-12)
- **Evidence of Insurability**
 - Form No. 75-589-05051 (R11-12)

State Specific Information

As approved, some state insurance departments may require modifications to policy application, contract language, benefits, rates and other features. Please refer to the individual contracts specific to each state as the ultimate authority.

The following chart represents *some* of those key differences:

State Specific Information for Business Overhead Expense DI Policy	
Colorado	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions six months prior to the issue date and for two years after issue date.
Idaho	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions five years prior to the issue date and for two years after issue date.
Illinois	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions for which (a) symptoms existed within 12 months before the issue date or (b) treatment or diagnosis was received from a physician within 24 months before the issue date. • Rehabilitation benefit is not available.
Minnesota	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions five years prior to the issue date and for two years after issue date. • Survivor Benefit pays a lump sum of 6 times the monthly benefit.
Mississippi	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions 12 months prior to the issue date and for 12 months after issue date.
Montana	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions five years prior to the issue date and for 12 months after issue date. • Policy has state-specific rates (included in the illustration system).
North Dakota	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions five years prior to the issue date and for 2 years after issue date.
Oregon	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions 6 months prior to the issue date and for 2 years after issue date.
South Carolina	<ul style="list-style-type: none"> • Policy does not include the Survivor Benefit.
South Dakota	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions 12 months prior to the issue date and for 12 months after issue date.
Virginia	<ul style="list-style-type: none"> • Policies' pre-existing condition limitation applies to conditions 2 years prior to the issue date and for 12 months after issue date.

Revisions to this Product Guide

Date	Section	Update
07/15/2019	All	Updated format

About Assurity

We are never more than one call away.
Literally.

Connect with us!

Mailing Address:

Assurity Life Insurance Company
P.O. Box 82533
Lincoln, NE 68501-2533

Connect Online!

www.assurity.com

[linkedin.com/company/assurity-life](https://www.linkedin.com/company/assurity-life)

[facebook.com/assurity.life](https://www.facebook.com/assurity.life)

Customer Connections

Phone: (800) 276-7619

Hours: Monday-Thursday – 7:00 a.m. to 6:30 p.m. Central Time
Friday – 7:00 a.m. to 5:00 p.m. Central Time

Application Questions

By Phone: Extension 4264

By Email underwriting@assurity.com

By Fax (402) 437-4606

Policy Questions

By Phone: Extension 4279

By Email clientservicecenterrequests@assurity.com

By Fax (888) 255-2060

Claims Questions

By Phone Extension 4484

By Email claimsinfo@assurity.com

By Fax (800) 869-0368

Why Assurity?

At Assurity, we're working hard to make the business of insurance simple – more human – by listening, showing that we care and offering customers invaluable insurance products and financial protection. More than a business with a bottom line, we're a mutual organization whose mission is helping people through difficult times. By dedicating ourselves to the community, the environment and using our business as a force for good, we're able to take the long view when it comes to upholding our promises. Assurity is also the first major life and specialty health insurer to become a Certified B Corporation®, demonstrating we meet the rigorous standards of social and environmental responsibility.