

Business Equity ProtectorSM Policy Summary

Individual Disability Buy/Sell Funding Insurance



Standard Insurance Company
The Standard Life Insurance Company of New York





Summary of Business Equity ProtectorSM Base Policy Provisions

A well drafted buy/sell agreement provides for the purchase of a business owner's share of the company in the event the owner becomes totally disabled and is no longer able to work. Business Equity Protector disability insurance, offered by Standard Insurance Company, provides a source of funds to purchase the interest of a disabled business owner.

The Business Equity Protector is designed to work with a business buy/sell agreement. It funds all or part of any buy-out due to total disability provided for in the buy/sell agreement, and the policy itself can be owned by the business or by the individual business owners.

A valid buy/sell agreement is necessary for the Business Equity Protector to function. The buy/sell agreement must be in effect within one year after the policy is put in force, or the policy will be considered void and all premiums will be returned. Policy benefits are payable under one of these funding methods: 1) on a monthly basis; 2) in one lump sum; or 3) with a partial lump-sum down payment followed by monthly payments.

Total Disability Benefit

The Business Equity Protector pays benefits to assist in the funding of the purchase of your ownership interest in the business if you become totally disabled and are entitled to a buy-out under the terms of your buy/sell agreement. Under the policy you are considered totally disabled if, because of injury or sickness, you are: 1) unable to perform the substantial and material duties of your regular occupation; 2) under the care of a physician; and 3) not performing any work for the business.

Policy benefits may be paid in a single lump sum, or over a period of time under the monthly or down payment funding method. Once policy benefits become payable under the monthly or down payment funding methods, benefits will continue to be paid whether or not you remain totally disabled, if:

- The policyowner has incurred or contrives to incur a buy-out expense; and
- The policy benefit limits have not been exceeded. We will not pay more than the applicable percentage of policy benefit limits as described in the policy. Further, the total of all payments made under the policy may not exceed the lesser of the total buy-out expense or the aggregate benefit limit.
- You do not perform any work for the business.

Waiver of Premium Benefit

Once policy benefits become payable, The Standard will waive any future premium due and refund any premium paid during the waiting period.

Legal/Accounting Fee Benefit

The Standard will reimburse the policyowner up to \$3,000 for reasonable legal and/or accounting fees owed and paid by the policyowner to carry out the terms of the buy/sell agreement.

Policy Transferability and Convertibility

After your policy has been in force for two years, if no policy benefits have been paid, coverage can be transferred to a new owner and you may be insured under a similar policy with no medical evidence. You may transfer coverage if you stop full-time employment in the original business, are under age 58, are not totally disabled and are working full-time in another business in

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More than eight million Americans trust The Standard's wide range of innovative insurance products to protect what they hold most dear.

which you own between a 10% and 90% share. Additionally, you may convert the policy to an individual disability income policy if your policy terminates because you become owner of more than 90% of the business prior to age 60. Conversion will result in an individual disability income policy with a limited benefit of up to \$1,000 per month, and a 24-month benefit period.

Policy Renewability/Premiums

Premiums for the Business Equity Protector will not be changed by The Standard while the policy is in force. The policy may be continued by timely payment of premiums until the earlier of:

- The policy anniversary following the insured's 65th birthday (the insured's 70th birthday if the Extended Benefit Option Rider is added to the base policy);
- The date the insured terminates active full-time employment with the business for any reason other than total disability;
- The date the buy/sell agreement terminates;
- The date the aggregate benefit limit is reached or all of the actual buy/sell expense is paid;
- The date one person owns more than 90% of the business;
- The date of the insured's death; or
- The due date of any premium remaining unpaid at the end of its grace period.

The policy will end on the earliest of the above dates. However, benefit payments begun prior to the insured's death under monthly or down payment funding methods will continue as provided under the policy.

Exclusions From Coverage

The Standard will not pay benefits for disability due to war. We will not pay benefits for a pre-existing condition unless it is disclosed on your application and it is not specifically excluded. A pre-existing condition is any mental or physical condition for which you consulted a physician, received medical treatment or services, or took prescribed drugs or medication, or for which a prudent person would have sought advice, care or treatment, during the 365-day period preceding the policy's effective date.

After two years from the policy's effective date, no misstatements in the application may be used to deny a claim for disability starting after the end of the two-year period (this period may be three years in some states). However, The Standard will not pay benefits for any disability if fraud is involved or if the condition causing the disability is specifically excluded.

Summary of Optional Riders

[Extended Benefit Option Rider](#)

This rider delays the reduction of policy benefits until age 65 and provides reduced coverage until the policy anniversary following the insured's age 70.

[Future Buy-Out Expense Option Rider](#)

This rider offers the owner an opportunity to periodically increase the buy-out policy benefits to keep pace with business growth. No medical underwriting is required to effect increases; however, financial underwriting is required and the insured cannot be disabled at the time an increase is applied for.





This is not a contract. It is only a brief summary of policy terms. Any coverage issued is subject to the terms of the policy. Some policy provisions may vary by state. The policy has exclusions and limitations, and terms under which the policy may be continued in force or discontinued. Optional riders are subject to underwriting and reinsurance availability. The addition of optional riders may increase premiums and some riders may not be available in all states. A medical exam may be required when you apply for a policy. For costs and complete details of coverage please contact your insurance representative or The Standard at 800.247.6888.

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