MassMutual Massachusetts Mutual Life Insurance Company

Business Overhead Expense Insurance

Disability insurance solutions for business owners

State variations will apply, and the policy may not be available in all states.

NOT FOR USE IN CA, MT, AND NY.

The success of your business revolves around you.

You drive your business forward — through planning, marketing, generating revenue, and taking care of necessary business expenses such as payroll, utilities, and rent. You are your business's most important asset.

- But what if you became too sick or hurt to work for an extended period of time?
- Have you considered the risk to your business if this were to suddenly occur?
- How would your business survive? Could your business expenses be paid?

MassMutual can help

Massachusetts Mutual Life Insurance Company (MassMutual®) can help you to ensure the continuity of your business if you become disabled.

Business Overhead Expense (BOE) is one of our premier individual disability insurance products for business owners. It provides a monthly benefit to reimburse the insured's share of the business expenses if they become too sick or hurt to work for an extended period.

We reimburse the day-to-day overhead expenses of the business owned by the insured, that can help keep the doors open and the lights on for up to two years. Rent, leased equipment, insurance premiums, utilities, and certain employee salaries can all be covered, so you can focus on what truly matters — getting well.

Non-cancelable coverage to age 65

The policy cannot be canceled as long as premiums are paid on time and your premiums cannot be changed (coverage increases will increase premiums). Also, if the insured continues to work full time beyond age 65, is not disabled, and continues to be responsible for all or part of the certain business expenses, the policy becomes conditionally renewable until age 75. Premiums are subject to change during the conditionally renewable period.

Length of disability

When designing a BOE policy, you will want to make sure the length of your coverage matches the length of disability protection you desire.

MassMutual's BOE policy has several options for Maximum Benefit Periods (the length of time you can receive disability benefits for an eligible disability) and Elimination Periods (the duration of time the insured must be disabled before benefits become payable).

Maximum Benefit Periods:	12, 18, and 24 months
Elimination Periods:	30, 60, and 90 days

Types of disability

Another factor to consider when designing a BOE policy is types of disability coverage. There are two major types of disability coverage: Total and Partial.

Total

In general terms, total disability means the insured cannot reasonably perform the regular duties of their occupation. Benefits may be eligible for any qualifying injury or sickness, according to the policy's definition of Disability.

Total Disability

Under MassMutual's BOE policy, the insured is Totally Disabled if due to sickness or injury, they cannot perform all of the substantial and material duties of their occupation; and are under a doctor's care.

Disability coverage for the future

When designing a BOE policy, it is important to consider how your business will grow over time.

If you expect your business expenses to grow as your business grows over time, your BOE (Business Overhead Expense) coverage should keep pace with those increases.

MassMutual's BOE offers several options to increase your coverage to account for future increases to expenses.

Partial

Partial disabilities are seen in scenarios where the insured continues to work, but as a result of a sickness or injury, they can no longer **fully** maintain their usual work schedule, or can only perform **some** of the main duties of their occupation. Consequently, this may result in a loss of business income.

Generally, coverage for partial disability may require a loss of time and/or duties and/or a specified percentage loss of business income to qualify for benefits.

Partial Disability Rider[1]

MassMutual's BOE policy offers a rider for protection during periods of partial disability. The insured is partially disabled if while working in their occupation and due to sickness or injury, they meet a loss of duties or loss of time requirement; they have a loss of business income of at least 15%; and are under a doctor's care.

Future Insurability Option Rider (FIO)[1]

Allows you to apply for additional monthly coverage during annual option periods as the business's expenses increase. Benefit increases require financial underwriting, and the Insured must be actively at work and not disabled.

Benefit Increase Rider (BIR)

This no-cost rider allows you to apply for additional monthly disability coverage once every three years as the business's expenses increase, so long as the insured financially qualifies, is actively at work, and is not disabled. To keep the rider in force, every three years you must apply for and accept any eligible coverage increases, subject to the terms of the rider.

The BIR also allows you to apply for a coverage increase outside of the three-year period, if the insured increases their ownership in the business by at least 20%.

[1] Available for an additional cost.

Both the FIO and BIR options help keep the BOE protection up to date by providing you with the ability to increase the monthly benefit amount without proof of medical insurability. Financial underwriting is required, however, and the insured cannot be disabled and must be actively at work.

Note: The following limitations and restrictions apply to the BIR and FIO riders: (i) The BOE policy can be issued with either a BIR or FIO rider, but not both. (ii) An FIO rider can be added to an existing BOE policy, but a BIR rider cannot. (iii) An Insured with multiple BOE policies will not be eligible for any additional BIR or FIO riders.

Automatic Benefit Increase Rider (ABI)

This no-cost rider allows the automatic annual purchase of benefits for 5 consecutive years, without evidence of medical or financial insurability (the insured cannot be disabled), subject to the terms of the rider.

Right to Apply

The policy allows you to apply for additional monthly benefits (not available with certain riders), at any time while the policy is in force. Availability is subject to medical and financial underwriting, and requires proof of the nature of the insured's occupation. The insured must be actively at work and not disabled.

Although these options provide opportunities to increase your BOE coverage, there are several important differences, so be sure to consult your MassMutual Financial Professional about which option is right for you.

Special types of protection

MassMutual's BOE offers several features which provide special types of protection to assist you in meeting your business's unique needs.

Business Loan Protection Rider[1, 2]

The Business Loan Protection Rider provides a monthly benefit to reimburse payment(s) for business loan debt due or paid (whichever is less) during periods of eligible Total Disability.

Information is required at the time of underwriting to verify the amount of business loan coverage and at the time of claim to verify the reimbursable benefit we pay. The insured or the business must be the borrower for the loan and have established responsibility for loan repayment over a fixed period of time.

Up to three (3) Business Loan Protection Riders can be attached to a policy; each rider covers one separate business loan.

In addition, if your primary need is business loan protection, you must purchase a BOE policy with a base coverage of at least $100.

Salary Replacement Rider[1]

The Salary Replacement Rider provides for reimbursement of certain salary expenses for employing an individual (or individuals) to perform the insured's duties during a period of eligible Total Disability.

Death Benefit

We will pay a lump sum equal to two times the maximum monthly benefit for Total Disability[3] when the insured dies during a period of Total Disability in which monthly reimbursable benefits are being paid and the insured has not sold their interest in the business.

Dividends[4]

One of the many benefits of purchasing a BOE policy from MassMutual is the opportunity to receive dividends. Currently, with the sale of a new BOE policy, dividends are illustrated to become payable annually after the 5th policy year (6th policy year for FL). Any dividends that may be allocated will be paid in cash to the premium payor. Dividends are not guaranteed.

From 2004–2024, MassMutual paid over $332 million in dividends on eligible participating disability income insurance policies.

Claims

We understand how important it is to provide supportive and efficient service during such a difficult time in the insured's life. When a claim is filed, a claims professional will guide the insured through the claim evaluation process and help them understand the information needed to make a benefit eligibility decision.

MassMutual has paid out more than $6 billion in disability income insurance benefits from 2005–2024.

1 Available for an additional cost.

2 Business Loan Protection Rider coverage is not a form of Credit Insurance. Reimbursable benefits are not paid directly to the Lender, may not equal the loan's minimum payment(s) required, and do not guarantee against loan default. MassMutual is not a party to any loan agreement between the Insured and the Lender.

3 In Florida: the lesser of (i) two times the Maximum Monthly Benefit for Total Disability or (ii) $1,000.

4 The dividend rate is determined annually and subject to change, and may vary.

MassMutual

Massachusetts Mutual Life Insurance Company (MassMutual) is a leader in disability income insurance. Established in 1851, MassMutual has been providing disability income insurance since 1965. Our mutual structure, along with our long-term business approach, has helped keep us strong. This strength means we will be here when you need us most.

MassMutual has some of the highest financial strength ratings[5] of any company, in any industry.

As of year-end 2024, MassMutual is protecting over 236,000 disability income insurance policyowners.

5 Financial strength ratings are as of 3/1/2025: A.M. Best Company: A++ (Superior); Fitch Ratings: AA+ (Very Strong); Moody's Investors Service: Aa3 (High Quality); S&P Global Rating: AA+ (Very Strong). Ratings are for Massachusetts Mutual Life Insurance Company (MassMutual) and its subsidiaries, C.M. Life Insurance Co. and MML Bay State Life Insurance Co, Springfield, MA 01111-0001. Ratings are subject to change.

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Only brief descriptions of the policy and riders are provided. If there is a conflict between these descriptions, the terms of the policy and riders will govern.

State variations will apply, and the policy may not be available in all states.

Policies have exclusions and limitations. For cost and complete details of coverage, please call your MassMutual representative or MassMutual at 1-800-272-2216 (press 3) to be referred to a representative in your area.

Business Overhead Expense (policy form IS-BOE-24 et al., and ICC24-IS-BOE in certain states including North Carolina) is issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

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