



TITAN FINANCIAL ASSOCIATES

Business Expense Protection

Jack Carrington began his day like any other. The 38-year-old's usual routine was a quick run in the park, breakfast with his family, then off to work by 7:00. Today he wouldn't make breakfast. The normally agile Carrington missed the curb and tripped during his morning run. The next thing he knew, he was headed to the hospital with a broken arm, bruised kidney and fractured ankle. Because of the angle of the break, his arm would be healing for a long time.

Carrington not only suffered physical wounds; he was about to suffer some mental anguish. Carrington owns a small, but up-and-coming architectural firm; he's the main architect and the creative talent behind the designs. He also provides the marketing inspiration and handles all of the customer presentations. He employs a draftsman, an engineer, an office assistant and an interior designer. He began his business in his basement right after college. It now occupies a 1000 square foot office in a downtown high rise. Carrington worries, "If I'm not able to work, what will happen to the firm-and my staff?"

Under Cover

No business is immune to the loss of staff, but small operations run a greater risk of being put out of business because they have many of the same responsibilities as larger businesses-and fewer resources to handle them. In addition, many businesses are home-based, one-person operations, and the owner doesn't have anyone else to step in when an injury or illness occurs.

But did you know there is actually an insurance that covers business expenses when you can't? Business owners generally think of insuring the location of a business and health insurance first. But what about the everyday expenses of running a business likes staff salaries, rent, utilities, equipment fees, taxes, property insurance and more? Many business owners face this dilemma when they become ill or injured and don't realize there's insurance for these expenses when they are unable to work.

It's called Business Expense Income Protection. Here's how it works: When a business owner becomes disabled the policy kicks in to help cover the business's everyday expenses. The policy owner chooses a waiting period of 30, 60, or 90 days, and a benefit period of 12, 18, or 24 months. The amount of benefit is based on business expenses and up to \$8,000 a month can be obtained.

3000 NW Stucki Place, Suite 230 | Hillsboro, Oregon 97124 | 503.629.0810 Tel | 503.629.0813 Fax

Investment Advisory Services offered through Mandalay Financial L.L.C.
Securities offered through Resource Horizons Group, L.L.C. Member NASD, SIPC, MSRB
Branch office: 6750 West Loop South, Suite 610, Bellaire, Texas 77401 713-667-4026



TITAN FINANCIAL ASSOCIATES

Best of all there are tax benefits to purchasing a Business Expense policy: The premium is tax deductible.

Business Expense insurance can help protect the business from foreclosure, thereby protecting the business's future.

Who should purchase Business Expense Income Protection Insurance? Any business owner that doesn't have the cash to pay his ongoing business expenses out of pocket should consider this valuable coverage. A Business Expense policy is affordable, especially when you compare it to the cost of replacing your business, or worse, losing it all together.

What Are The Odds?

While many individuals like to think they run no risk of becoming a statistic, the facts are surprising. During our lifetimes we are actually more likely to suffer from a disability lasting 90 days or more than we are to die (to calculate your risk [click here](#)). Business owners have additional responsibilities. Not only must they care for themselves and their families, they also have staff and vendors that depend on them for their livelihoods.

Most people expect Social Security will pay if they ever become disabled. Social Security is a safety net that doesn't catch many people. According to the most recent edition of the Social Security Handbook (2001; 14th edition): Five full calendar months must pass before any disability benefits begin from the government.

To qualify, the disability must be one that "can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months." The disability must prevent the individual from being able to perform any type of gainful employment.

Business owners want to run their own businesses. That's why they started them in the first place. The term "gainful employment" could mean any type of work. And Social Security doesn't cover any business expenses. Business Expense Income Protection ensures that your business will continue, even if you suffer an injury or illness.

3000 NW Stucki Place, Suite 230 | Hillsboro, Oregon 97124 | 503.629.0810 Tel | 503.629.0813 Fax

Investment Advisory Services offered through Mandalay Financial L.L.C.
Securities offered through Resource Horizons Group, L.L.C. Member NASD, SIPC, MSRB
Branch office: 6750 West Loop South, Suite 610, Bellaire, Texas 77401 713-667-4026



TITAN FINANCIAL ASSOCIATES

Customizing Options

Business Expense insurance isn't one-size-fits-all. Not only can you choose the waiting and benefit periods, you also can customize the policy to suit your businesses specific needs. By adding a Rider (an additional benefit that you add to the base policy) you have additional options. A Guaranteed Insurability Option Rider will provide additional coverage as your business expenses increase.

A Surrender Value Rider returns all premiums paid, minus any benefits paid over the life of the policy at age 65. This option offers a win-win situation - protection and cash back.

Policy definitions can vary considerably between companies; ask what the definition of total disability is for the policy you are considering. Also ask if your base policy waives future premiums and pays back premiums after a certain period of total disability (often termed Retroactive Waiver of Premium).

By choosing Business Expense insurance you free other money to take care of hospital bills, personal living expenses and your family. You've worked hard to build your business; you don't want to lose it because of an injury or illness. Jack Carrington was lucky; he didn't lose his business. He did have to dig into his personal savings when he got behind on his bills. He also had to let one of his staff members go because of the budget strains.

If you would like more information contact our office for details about how Business Overhead Expense insurance can be used to protect your business.

3000 NW Stucki Place, Suite 230 | Hillsboro, Oregon 97124 | 503.629.0810 Tel | 503.629.0813 Fax

Investment Advisory Services offered through Mandalay Financial L.L.C.
Securities offered through Resource Horizons Group, L.L.C. Member NASD, SIPC, MSRB
Branch office: 6750 West Loop South, Suite 610, Bellaire, Texas 77401 713-667-4026