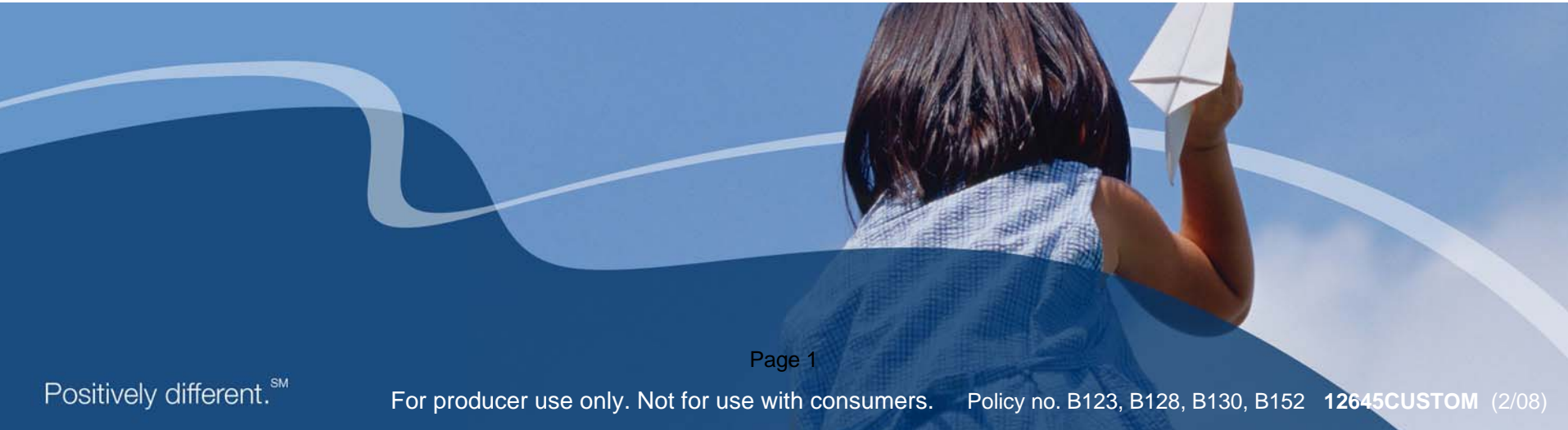


# Disability Insurance in the Small Business Market



# Market Profile

According to the Small Business Association (SBA)'s Office of Advocacy\*, businesses with fewer than 500 employees:

- Represent 99.7% of all employer firms
- Generated 60 to 80% of net new jobs annually over the last decade
- Employ 39% of high tech workers

\*Source: U.S. Small Business Association's Office of the Advocacy *Small Business by the Numbers* Updated June 2004.  
For research purposes, The Advocacy defines a small business as having less than 500 employees.

# Market Profile

According to the SBA's 1997 report on small businesses\*:

- 78.8% had fewer than 10 employees
- 99.7% had fewer than 500 employees
- 56.5% of the 99.2 million private sector jobs
- Of 11.3 million self-employed individuals:
  - 54.5% were between the ages of 35 and 54
  - 37.4% were women

\*Source: U.S. Small Business Association's *Characteristics of Small Business Employees and Owners* published 1997 as supplement to the annual *State of Small Business: A Report of the President*.

# The Opportunity for DI Sales

- Today the disability insurance industry sells less than half the number of policies sold 15 years ago
- Has the need changed?
- Fewer advisors are active in the marketing of DI
- Small businesses need your help

# Marketing to Owners of a Small Business

- Understand the business owners' motivation
- Appeal to priorities
- Distinguish your services
  - Be unique
  - Offer solutions that others do not

# Small Business Marketing Challenges

- Business owner mindset
  - Fiercely independent, bullet proof
  - Business is priority
  - Concern for employees
  - BUSY
- Economic pressures
  - Solvency!
  - Regulatory requirements
  - Little reported net income
- Competition for benefit dollars

# Leading with DI

- Business Overhead Insurance: The Business Protector<sup>SM</sup>
  - Address the priority of protecting their business
- Buy-Sell Insurance: The Business Equity Protector<sup>SM</sup>
  - Business continuation
- Voluntary Individual DI: The Protector<sup>SM\*</sup> and The Protector+<sup>SM</sup>
  - Valuable benefits to employees, with no cost to employer

\*Available in California only.

# Business Products

- The Business Protector (Business Overhead Insurance)
  - Provides for reimbursement of most fixed business expenses while an owner is disabled
  - Covered expenses include salaries, fees, employment taxes, rent, lease payments, utilities, business insurance premiums, property taxes, and dues, etc.
  - Designed for businesses with ten employees or less
  - Salary replacement rider allows for the hiring of an outside employee to perform owner's duties

# Business Products

- The Business Equity Protector (Buy-Sell Insurance)
  - Provides the funding mechanism to buy-out the ownership interest of a disabled partner
  - Allows the healthy partners to obtain ownership of the business, without adverse financial effects
  - Many businesses have failed to provide the funding for established buy-out agreements
  - Great source of referrals from the legal community

# Business Owner Programs

- Business Owner Upgrade
  - Three simple steps
    - At least 25% ownership
    - Financially successful for at least last two years
    - All occupations\* (except doctors, dentists, veterinarians, podiatrists and chiropractors)
  - Great for blue- or gray-collar owners
  - Can be used with all products in The Protector Series<sup>SM</sup>
- The Earned Income Enhancer
  - Net income increased by up to 20%

\* Except medical and dental occupations, veterinarians, podiatrists, chiropractors and those listed as No in the occupation classifications listing in The Protector Series Product Guide, form 9251.

# Discount Programs

- Multi-life = flexibility and savings
  - Three or more lives, discounted
  - Gender-neutral rates for The Protector\* and The Protector+
  - Gender-distinct rates for The Business Protector and The Business Equity Protector
  - No list billing required
  - Available with all products in The Protector Series

\*Available in California only.

# Discount Programs (continued)

- Guarantee Issue
  - No medical underwriting, limited financial underwriting
  - Mandatory — Employer paid
    - Minimum of 10 or more lives, 100% participation required
  - Voluntary — Employee paid
    - Minimum of 15 issued lives, or participation by 30% of eligible employees, whichever is greater

# Discount Programs (continued)

- Association Marketing
  - 10% discount for eligible members of an approved association, depending on the product
  - Discounts are available with all products in The Protector Series



Please contact your local Plus Group office for more information. Go to [www.plusgroupus.com](http://www.plusgroupus.com) and click on the agency locator map to find an office near you, or call 800.831.1018.