BUSINESS OVERHEAD EXPENSE INSURANCE

As a self employed sole practitioner or partner in a small firm, you are directly responsible for your firm’s expenses. That’s why you should consider the CBIA Business Expense Disability Insurance protection plan. It is designed to help cover the monthly law firm expenses you can no longer afford to pay due to a disability that prevents you from earning an income.

Eligibility: CBIA Business Expense Disability Insurance is available to self-employed practicing lawyers and Quebec Notaries under age 65 who are in good standing with their provincial law society or Chambre des notaires du Québec. You must also be a resident of Canada and personally responsible for some or all of the business expenses associated with your practice.

Lawyers that are employees of law firms and are responsible for a portion of a firm’s expenses may be eligible for certain benefits under our Modified Business Expenses Plan.

Coverage Amounts Available: Business expenses of up to $20,000 per month can be protected and may include office rent, equipment leases, staff salaries and more.

Employed lawyers covered by our Modified Business Expense plan, may be eligible for up to $8000 per month of coverage.

Coverage to age 71: We know that lawyers may choose to work well past the traditional retirement age of 65. That’s why you can keep your coverage in force until December 1st immediately following your 71st birthday.

Benefits payable for up to 24 months or more if needed: Once you qualify for benefits, you will be reimbursed each month for incurred expenses up to the benefit amount maximum until the total payments equal 24 times the monthly benefit.

Normally, after 24 months, most contractual business expenses will have ceased. However, if you are still liable for “Approved Obligations” such as a lease, and you have not been able to discharge it, and no other person derives any benefit from it, then up to 40 per cent of the monthly benefit may be payable to cover this monthly obligation for up to 60 months, but not beyond age 65, as long as you remain totally disabled.

Definition of Total Disability: You are considered disabled if you are unable to perform the duties of your own occupation and not working elsewhere.

Built-in no added cost benefits: We believe that you should have the best protection possible. That’s why we’ve built in benefits that others would have you buy as added cost options. These include:

Benefits for Partial Disabilities: Not every disability results in a complete inability to work and earn an income. If after 14 days of total disability you are able to return to work part-time, you may qualify to receive a portion of your monthly benefit.

Inflation Protection: Until age 55, every June 1st you will be given the option to increase your coverage by up to 10% of your original face amount, within limits, without providing evidence of your continued good health.

Death Benefit: You can name a designated beneficiary who, in the event of your death, will receive a death benefit equal to three times your monthly benefit.

Benefits begin after 2 weeks: Our plan offers one of the shortest Waiting Periods available. You will be eligible to receive benefits after only 14 days of your continuous total disability.

Coverage for Employed Lawyers (Modified Business Expense Disability Plan): Sometimes an employed lawyer can have a significant impact on a firm’s earnings. Our modified plan allows a law firm to take out coverage for the expenses associated with an employed lawyer. In this case the firm would be the owner of the coverage and the insured would be the employed lawyer. Under this modified expense disability plan, there is a 30 day Elimination Period and benefits are payable for a 12 month period after the employed lawyer becomes totally disabled.

Tax Deductible Premiums: The premiums for this coverage may be tax deductible under certain provisions of the Income Tax Act. Please speak to a tax professional to confirm your eligibility.
**5 Year Age Banded Rates:** Your risk of death increases as you get older and this is reflected in your premiums. Some plans allow you to pay a level premium by charging you a much higher premium now and then using part of this money to offset your increased risk in later years. However, the CBIA takes a different approach. We believe you should pay a premium that reflects the risk you present to the insurer today, not tomorrow. So, as you age, our premiums gradually increase every 5 years. When compared to most level premium plans, the cost of owning CBIA Business Overhead Expense insurance can be much less over your lifetime.

**Shared Success:** Our success is your success. As a not-for-profit corporation, we set our rates with a goal to break even. If plan performance is better than anticipated, what most insurance companies would keep as profits, we share with our clients.

While past performance does not guarantee future results, in the last 14 years, most of our clients have shared in over $43,000,000 of better than anticipated financial results through rate reductions, improved benefits and returned premiums.

**Stability of our Rates:** The CBIA Business Expense Disability Insurance protection plan has a long history of stable rates. However, our rates are not guaranteed and can change in accordance to plan performance. This allows us the freedom to reduce your future cost to reflect better than anticipated overall plan experience and our break-even pricing goal.

While it is possible that poor experience would necessitate a future rate increase, we help insulate our clients against this possibility by maintaining large cash reserves that can be used to offset and even eliminate this need.

**Guaranteed Coverage:** In the unlikely event that the master policy is terminated, your coverage is guaranteed by our insurer to continue without proof of your good health and at a premium that is reasonable.

The details of this document are intended to provide you with a brief description of this plan and should not be considered part of any contract. Certain benefits and conditions may have changed since this document was produced. Benefits may be subject to proof of income, evidence of good health and approval by our insurer. Other conditions may also apply. Please contact your CBIA Authorized Sales Representative for additional details.

The CBIA Business Overhead Expense Insurance plan is underwritten by The Manufacturers Life Insurance Company (Manulife Financial).

For more information visit our website or call 1-800-267-2242 for the name of your local authorized CBIA sales representative.