

# Competitive Insight for Financial Professionals

## BOE Industry Comparison

	Massachusetts Mutual Life Insurance Company	Principal Life Insurance Company	Standard Insurance Company	Berkshire/Guardian	Ameritas	Northwestern Mutual Life Insurance Company
<b>Form #</b>	BOE-01	HH 789	B123.2	18OE	4503 BOE	TT.DOE16
<b>Participating Policy</b>	Yes. Dividends are not guaranteed. Dividends, if any, are not anticipated to be credited before the end of the fifth policy year.	No	No	No	No	Yes. Dividends are not guaranteed.
<b>Renewability</b>	Noncancelable & Guaranteed Continuable to the policy anniversary on or after the insured's 65th birthday.	Noncancelable & Guaranteed Renewable to age 65.	Noncancelable & Guaranteed Renewable to age 65.	Noncancelable & Guaranteed Renewable to age 65.	Noncancelable & Guaranteed Renewable to age 65. Conditionally renewable thereafter.	Noncancelable & Guaranteed Renewable to age 67.
<b>Elimination Periods</b>	30, 60 & 90 days	30, 60 & 90 days	30, 60 & 90 days	30, 60 & 90 days	30, 60 & 90 days	30, 60 & 90 days
<b>Benefit Periods</b>	12, 18 & 24 months	Benefit Factors of 12, 15, 18, 24 & 30 times	12, 18 & 24 months	12, 18 & 24 months	12, 18 & 24 months	Aggregate benefit of either 12 or 24 months.
<b>Definition of Total Disability</b>	Cannot perform the main duties of his/her occupation and is under a doctor's care.	Unable to perform the substantial and material duties of his/her Occupation.	Unable to perform the substantial and material duties of your regular occupation; and you are under the regular care of a physician appropriate to your injury or sickness.	Unable to perform the material and substantial duties of one's occupation, even if gainfully employed in another occupation as long as he/she is not able to work in their occupation due to injury or sickness.	If an injury or sickness prevents them from performing the material and substantial duties of their occupation. This means the occupation or occupations at the time disability began. The insured must also be under the regular care and treatment of a physician appropriate for the condition causing disability, unless further recovery is not expected.	The Insured is unable to perform the substantial and material duties of the Regular Occupation.

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<b>Residual Disability</b>	Available through the <b>Partial Disability Rider</b> at additional cost. The insured can do some, but not all of the main duties of his/her occupation, or can work at his/her occupation no more than 80% of the hours worked before becoming disabled. MassMutual will pay an amount equal to the excess of expenses over gross income of the business, up to a maximum of the total monthly benefit.	Available through the <b>Residual Disability Benefit Rider</b> at additional cost. The insured is not totally disabled, able to perform some but not all of the substantial and material duties of his/her occupation, and incurs a monthly loss of net income. During the first 6 months the benefit will not be less than 50% of the maximum monthly benefit. <b>Recovery Benefit.</b> Built in. If the insured returns to full time work after being disabled, and has a loss of income of at least \$200, a recovery benefit will be paid. The benefit will be 50% of the maximum monthly benefit for up to 3 months.	<b>Partial Disability Benefit</b> (built into base contract) – Insured can do some, but not all, of the substantial and material duties of his/her occupation, or is able to perform all duties, but for no more than 50% of the time. Benefit is 50% of the covered business expenses for up to 6 months. <b>Residual Disability Rider</b> at additional cost. Insured has at least a 20% loss of business income and is unable to do some but not all, of the substantial and material duties of the insured's regular occupation or is unable to do all of these duties, but not for as long a time or as effectively as before. Benefit is at least 50% for first 6 months. If loss is 75% or more, full benefit will be paid. A recovery benefit may be payable for up to 12 months. <b>Recovery Benefit:</b> Part of residual rider. Eligible for max of 12 consecutive months if engaged in at least 30 hours/week in regular occupation immediately following a disability for which benefits were payable under this policy.	<b>Partial Disability Benefit Rider</b> at additional cost. This rider provides a monthly benefit if the insured is gainfully employed and is not totally disabled, but solely due to injury or sickness experience a loss of gross monthly revenue that is at least 15% of prior gross monthly revenue and either the insured is able to do one or more of the material and substantial duties of their occupation or, they are able to perform all of the material and substantial duties of their occupation but not for the length of time they normally require. During the first 6 months of partial disability, Guardian will deem the insured's loss of gross monthly revenue to be 50% of prior gross monthly revenue or the actual percentage of loss, if greater. 75% loss or greater = 100%. <b>Recovery benefit</b> for a maximum of 12 consecutive months if partial benefits have been paid and the insured returns to full-time gainful employment, and the insured continues to suffer at least a 15% loss of gross monthly revenue due to their injury or sickness that caused the disability.	<b>Residual Disability Benefit.</b> Built in. Solely due to sickness or injury the insured is able to perform one or more, but not all, of the material and substantial duties of their occupation; or able to perform all of the material and substantial duties of their occupation but not for the length of time as was usual prior to their injury or sickness. Residual Disability benefit is payable if the insured suffers a loss of net monthly revenue of at least \$200. The benefit period is the lesser of 6 months or any unused portion of the maximum benefit period for total disability. The amount payable will not be less than 50% of the maximum benefit. <b>Recovery Benefit.</b> Built in. If benefits had been received, a recovery benefit may be payable for up to 3 consecutive months if there is a loss of net monthly revenue of at least \$200 that is solely due to the disability. <b>Extended Residual Disability Rider (ARES):</b> Additional cost. which will increase the residual maximum benefit period from 6 months to the equivalent of the maximum benefit period for total disability under the contract. The amount payable during the first 6 months will not be less than 50% of the maximum monthly benefit. Issue ages: 18-60.	The Insured is unable to perform one or more of the substantial and material duties of the Regular Occupation; OR to spend as much time at the Regular Occupation as before the disability started; due to the disability, the Insured's Covered Overhead Expense for the month is more than the Total Income for the month; AND the Insured is Gainfully Employed. For each of the first 6 months in which a benefit is payable for Partial Disability, the Owner may choose to receive: the amount determined under a formula; or 50% of the Maximum Monthly Benefit. The Owner may alternate between these 2 choices as to each of the 6 months. Upon <b>recovery</b> , a benefit will still be paid for a maximum of 12 months as long as the insured continues to suffer a loss of income as a result of a disability.
<b>Income Protection</b>	Available through the <b>Income Protection Rider</b> at additional cost. Provides income protection for the business owner in the event of total disability. There is a 90-day elimination period and a 24-month benefit period. The insured may apply for up to 60% of his/her income to a maximum of \$5,000. (This rider is not available if the insured has any LTD or individual disability coverage in-force at time of application.)	Not Available.	Not Available.	Your <b>Income Protection Rider</b> at additional cost. Provides an income replacement benefit to the insured if no other income-based disability benefit (IDI, LTD, or STD) is in force or being applied for. Total disability is required. The rider covers 60% of income up to a maximum of \$5,000.	Not Available.	Not Available.

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<b>Salary Replacement</b>	Available through the <b>Salary Replacement Rider (SRR)</b> . Additional cost. Reimburses certain salary expenses incurred for employing an individual to perform insured's duties during a total disability. The person cannot be an immediate family member, or employed by the insured prior to the disability. The maximum benefit is 50% of the total base monthly benefit.	Replacement salary is included under the base policy as an overhead expense. Replacement salary is the net expense the insured incurs to hire a replacement (cannot be related by blood or marriage). The compensation paid to the insured's replacement must be reasonable in relation to the duties performed.	Available through the <b>Salary Replacement Rider</b> at no additional cost (for 5A, 4A & 3A risks). Allows insured to hire someone (other than a family member) to perform the main duties and to have the insured's salary included in covered expenses.	Available through the <b>Professional Replacement Endorsement</b> at additional cost. When totally disabled, this rider provides a professional replacement benefit up to 100% of the replacement's gross monthly salary, not to exceed the maximum professional replacement benefit. The replacement must be a member of the insured's profession hired after the date of total disability to specifically replace the insured in the business, must not have an ownership interest in the business and is not a member of the insured's family. The maximum issue limit is the lesser of \$20,000 or up to one time the base overhead expense monthly benefit.	<b>Substitute Salary Expense Rider (ASSE)</b> . No Additoinal cost. Pays the monthly salary or wage expense actually incurred and paid to a substitute while the Insured is totally disabled. Maximum amount allowed is 100% of the substitute salary expense up to the maximum benefit amount outlined in the schedule page. Payable for up to 6 months. Issue Ages: 18-60. Terminates at 65. <b>Finder Fee Benefit</b> . Built in. May reimburse the owner, up to a maximum of \$5,000, for the expense of a professional employment agency to find a substitute to perform the insured's duties. This benefit is payable once during the life of this policy.	Replacement Salary is included under the base policy. Covered overhead expenses include salaries, employer paid benefits, and other compensation for the insured's replacement provided the replacement is not an owner of the business, hired from outside the business, and not a member of the insured family.
<b>Accumulation Benefit (i.e., Carry Forward Benefit)</b>	When expenses for any month of total disability are less than the monthly benefit, the unused portion of benefit may be carried forward and used to reimburse expenses in a later month when the expenses exceed the monthly benefit. This may extend the benefit period.	<b>Carry Forward Feature</b> . Any unused benefit is carried forward and applied to the Insured's covered overhead expenses in a later month for the same continuous disability when the Insured's covered overhead expenses exceed the maximum monthly benefit. <b>Carry Forward Expenses</b> . Excess covered overhead expenses will be carried forward and reimbursed in a later month for the same continuous disability when the Insured's covered overhead expenses are less than the maximum monthly benefit.	Unused benefits and unreimbursed expenses may carry forward to future months of continuous disability (subject to policy limits).	Unused benefits issued as part of the <b>Supplemental Overhead Expense Benefit Rider</b> may be carried forward and used in the next month during the same claim.	<b>Accumulation Benefit</b> . Built in. If the Insured's actual covered overhead expenses in any month during total disability are more than the available monthly benefit, the unpaid balance may be carried forward and reimbursed in the following months during their total disability when actual covered overhead expenses in future months are less than the available monthly benefit. Any remaining unpaid balance of covered overhead expenses will not be reimbursed beyond the maximum benefit period for total disability.	<b>Carry Forward of Unused Benefit</b> . There is a formula NML uses which allows the excess amount to be carried over to future months during the same disability. <b>Carry Forward of Unused Expenses</b> . The Eligible Expenses for a month may be more than the benefit amount payable for the month. When this happens the formula allows the excess expenses to be carried over to future months during the same disability.
<b>Benefit Indexing</b>	Available through the <b>Automatic Benefit Increase Rider</b> . Provides a supplemental benefit which allows the automatic annual purchase of benefits for 5 years without medical or financial evidence of insurability. The amount of additional benefit will be the greater of \$50 or 3% of the monthly benefit for total disability.	Available through the <b>Automatic Increase Option Rider</b> . Increases the monthly benefit on each of the first 6 policy anniversaries. Increase is based on the CPI; 4% minimum, 10% maximum, compounded.	Not Available.	Not Available.	Not Available.	Available through the <b>Future Increase Benefit Rider</b> . The maximum monthly benefit is adjusted annually based on changes in the Consumer Price Index. The maximum monthly benefit can increase by a maximum of 6% annually as a result of this adjustment, but will never be less than in the prior year.

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<b>Future Purchase Option</b>	Available through the <b>Future Insurability Option Rider</b> at additional cost. Can be exercised once each year 90 days prior to anniversary up to age 60. The minimum pool amount is \$500; the maximum is 2X the base monthly benefit plus the Automatic Monthly Benefit Rider (AMBR) up to \$20,000. The minimum amount exercisable per option period is \$100. The maximum exercisable amount through age 50 is 1X the base plus AMBR, and after age 50 it is 50% of the base plus AMBR.	Not available.	Available through the <b>Future Purchase Option Rider</b> at additional cost. Can be exercised every 2 years to age 50. The maximum total option amount is the lesser of 2.5 times the basic monthly amount being purchased, or Standard's issue limits for the insured's occupation class less the amount of coverage in force and applied for with Standard and all other companies.  The maximum amount of FPO which may be issued is the maximum total option amount divided by the maximum number of option dates based on the insured's issue age.	Available through the <b>Future Increase Option Rider</b> at additional cost. Provides annual options to increase coverage up to age 55, subject to financial underwriting. Up to age 45 the full amount can be exercised; thereafter up to 1/3 of the original option amount can be exercised. If less than \$1,000 remains, the full amount may be exercised after age 45. This rider also features a special option date. Options may be exercised during disability, but benefits will only become payable with a new and separate disability.	<b>Future Increase Option Rider (FIOR)</b> . Additional cost. Provides annual options to increase coverage up to age 55 with proof of financial underwriting. Maximum increase is the lesser of 50% of the maximum monthly benefit or the maximum permitted by our financial underwriting. If Substitute Salary Expense Rider is included, it may also be increased without medical insurability. The increase will be the lesser of either 50% of the increase being made to the maximum monthly benefit or the maximum permitted by our financial underwriting.  Options may be exercised during disability but will only apply to a separate period of disability after the effective date of the increase.	Available through the <b>Additional Purchase Benefit (APB)</b> at additional cost. Options to buy up to 5 additional OE policies over a 10 year period is provided. The minimum Aggregate Benefit is \$2,400, and the maximum Aggregate Benefit is \$720,000. This is the aggregate amount of additional disability overhead expense coverage that can be purchased through a single purchase.  <b>Amount Each Purchase</b> – This is monthly amount of APB available for a single purchase. This amount will vary from \$200 to \$60,000.
<b>Survivor Benefit</b>	If the insured dies before age 65, MassMutual will pay a benefit equal to 2X the base monthly benefit to the insured's business as long as the policy is in force.	If insured dies while benefits are being paid, Principal will pay benefits during the 3 months immediately following insured's death for his/her portion of any covered overhead expenses, up to the maximum aggregate benefit. These benefits are payable to the loss payee. If the insured is the loss payee at the time of his/her death, these benefits will be paid to his/her surviving spouse, if any, otherwise to his/her estate.	If insured dies while benefits are being paid, Standard will pay a benefit to the owner or the owner's estate. The benefit will be the lesser of 3X the base amount, or the maximum benefit less benefits paid during the disability.	If insured dies while benefits are being paid, the policy owner, or the policy owner's estate may be eligible to receive up to 3 additional months of benefits.	<b>Benefit Continuation after Death</b> . Built in. If insured dies prior to age 65 while benefits are being paid, the policy owner, or the policy owner's estate may be eligible to receive up to 3 additional months of benefits.	A final benefit is payable for overhead expenses accrued after the Insured's death if the Insured dies after the Beginning Date and while benefits are payable; the benefit is not payable after the Aggregate Benefit Amount has been paid. Proof of the death of the Insured must be provided to the Company. No proof of overhead expense or income will be required. The amount of the benefit is the lesser of: the Maximum Monthly Benefit; or, the Aggregate Benefit Amount less the total benefit paid since the Beginning Date.
<b>Mental/Nervous Limitation</b>	No limitation.	No limitation.	No limitation.	<b>Mental and/or Substance-Related Disorders Endorsement</b> will be applied to all policies based on state requirements as well as these occupations: Anesthetists (MD, DO and CRNA), Anesthesiologists, ER Physicians, Pain Management Physicians and 3D occupations in all other states. Required on all CA policies.  This endorsement limits payment of benefits for a mental and/or substance-related disorder to 24 months during insured's lifetime, unless the insured is confined to a hospital for treatment of the mental and/or substance abuse disorder.	No limitation.	No limitation.

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<b>Exclusions/Limitations</b>	War; military service; imprisonment; illegal activity; intentionally self-inflicted injury; normal pregnancy or childbirth; pre-existing conditions that begins in the first two years.	Intentional, self-inflicted injury; illegal activity; suspension of professional license, active military service; normal pregnancy or childbirth until 91st day. <b>Pre-existing Condition limitation:</b> means a condition that occurred 12 months prior to the effective date. Does not pay for a pre-existing condition claim if disability for pre-existing condition begins within 12 months after the effective date of the policy.	War, insurrection, armed conflict military nature, first 90 days of disability due to pregnancy or childbirth. <b>Pre-existing Condition limitation:</b> means a condition that occurred 365 days prior to the effective date. Does not pay for a pre-existing condition.	War; military service; imprisonment; illegal activity or occupation; suspension of professional license; intentionally self-inflicted injury; normal pregnancy or childbirth until 90 days have elapsed from the disability or elimination period has been satisfied. <b>Pre-existing Condition Limitations:</b> will not pay for any loss that begins in the first two years after effective date from a pre-existing condition.	War; self-inflicted injury; criminal activity, termination of license, residence; normal pregnancy or childbirth until 91st day <b>Pre-existing Conditions Limitation:</b> will not pay benefits during first 24 months following the issue date for a pre-existing condition	War; revocation of professional license; committing a felony; incarceration; pre-existing conditions (in last 2 years); normal pregnancy or childbirth until 91st day. <b>Pre-existing Conditions limitation:</b> means a condition that occurred 2 years prior to the effective date.
<b>Other</b>	Convertibility (before age 60) Presumptive Disability Benefit Suspension for Active Military Service	Convertibility (before age 60) Presumptive Disability Benefit Suspension for Active Military Service Transplant Donor or Cosmetic Surgery Benefit	Convertibility (before age 60) Transplant Donor or Cosmetic Surgery Benefit Presumptive Disability Benefit	Convertibility (before age 60) Cosmetic Surgery Benefit Presumptive Disability Benefit Suspension for Active Military Service	Convertibility (before age 60) Presumptive Disability Benefit Transplant Donor or Cosmetic Surgery Benefit Suspension for Active Military Service	Convertibility (age unknown) Transplant Donor or Cosmetic Surgery Benefit Presumptive Disability Benefit Suspension of Coverage While in the Military
<b>Other</b>	<b>Additional Monthly Benefit Rider</b> at additional cost. Provides an additional benefit with an elimination period identical to the base but with a different benefit period. Can be used to cover special expenses with a shorter duration than other covered expenses insured under the base policy.	<b>Legal/Accounting Fee Benefit.</b> Principal will reimburse the loss payee for legal and accounting fees, up to a maximum of \$3,000, if such fees are incurred in association with the termination of the business as a result of the insured's disability. This benefit is an additional benefit and will not be included as part of the maximum monthly benefit or maximum aggregate benefit.		<b>Accelerated Benefit Endorsement.</b> In the event of total disability, before requiring proof of covered overhead expenses, Berkshire will pay the first maximum monthly overhead expense benefit 30 days after satisfying the elimination period if the insured becomes totally disabled while the policy is in force; the insured remains continuously totally disabled for the entire elimination period; and proof of total disability is provided to Berkshire. The payment under this endorsement will be made only one time in the same claim and will be included in the total amount of benefits already paid during the disability when calculating the available benefit.	Legal and Accounting Fee Benefit. Built in. If Insured is being paid disability benefits under the policy and elects to terminated or sell their ownership interest in the business due to disability, Ameritas will reimburse the portion of the resulting legal and accounting fees, up to a maximum of \$5,000.	

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Other		Advanced Benefit. Built in. Pay the first monthly benefit when due without receipt of the required documentation.		Extension of Benefits. Benefits for either a partial or total disability will continue beyond the end of the benefit period for no more than an additional six months if, the insured is disabled and remains disabled at the end of the benefit period, the total benefit paid during disability is less than the maximum aggregate benefit and proof of loss is provided to Berkshire.	Advance Benefit. Built in. If totally disabled during the entire month after satisfying the elimination period, and the claim has been approved, the first maximum monthly benefit will be paid without all the required proof of the covered overhead expenses for the month. Proof of covered expenses for the first month and all other months beyond that must be submitted while the insured remains disabled. Any overpayment in the first month will be applied toward future benefits.	
				Legal and Accounting Fee Benefit. If, due to insured's disability, the insured incurs and pays legal and accounting fees as a result of the termination or sale of ownership interest in the business, Berkshire will reimburse him/her up to \$5,000. This benefit is an additional benefit and is not included in the maximum aggregate benefit.		
Other				Supplemental Overhead Expense Benefit Rider at additional cost. Provides an additional benefit amount that may be used for reimbursement of covered overhead expenses in the event of disability. The benefit amount for this rider always equals one times the maximum monthly overhead expense benefit.		
				Waiver of Elimination Period. The elimination period will be waived if the insured becomes disabled for any reason within five years after the end of a previous disability that lasted for six months and for which Berkshire paid a benefit and the insured remains continuously disabled for at least 30 days.		

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A variety of publicly available sources we believe are accurate were used in compiling the summary, and in some cases interpretation was required. Information is accurate as of September 2024. Refer to actual contract language for details. Policies and riders and their availability may vary by state and class. For more information on MassMutual's Business Overhead Expense insurance policy, refer to the DI Reference manual, DI1075.

Business Overhead Expense insurance [policy form BOE-99 and BOE-99(NC) in North Carolina] is issued by Massachusetts **Mutual Life Insurance Company**, Springfield MA 01111-0001. This policy has exclusions and limitations.

