



Business Protection for Owners and Professionals

Risk of Disability Grows with Numbers of Owners

Chances of at Least One Person Becoming Disabled Before Age 65

Age	<i>Number of People in a Group</i>				
	2	3	4	5	6
30	79%	90%	96%	98%	99%
35	75%	88%	94%	97%	98%
40	70%	84%	91%	95%	97%
45	64%	78%	87%	92%	95%
50	55%	70%	80%	86%	91%
55	43%	57%	68%	76%	82%

Source Based on 1992 modification of the 1964 Commissioners' Disability Table(Male)

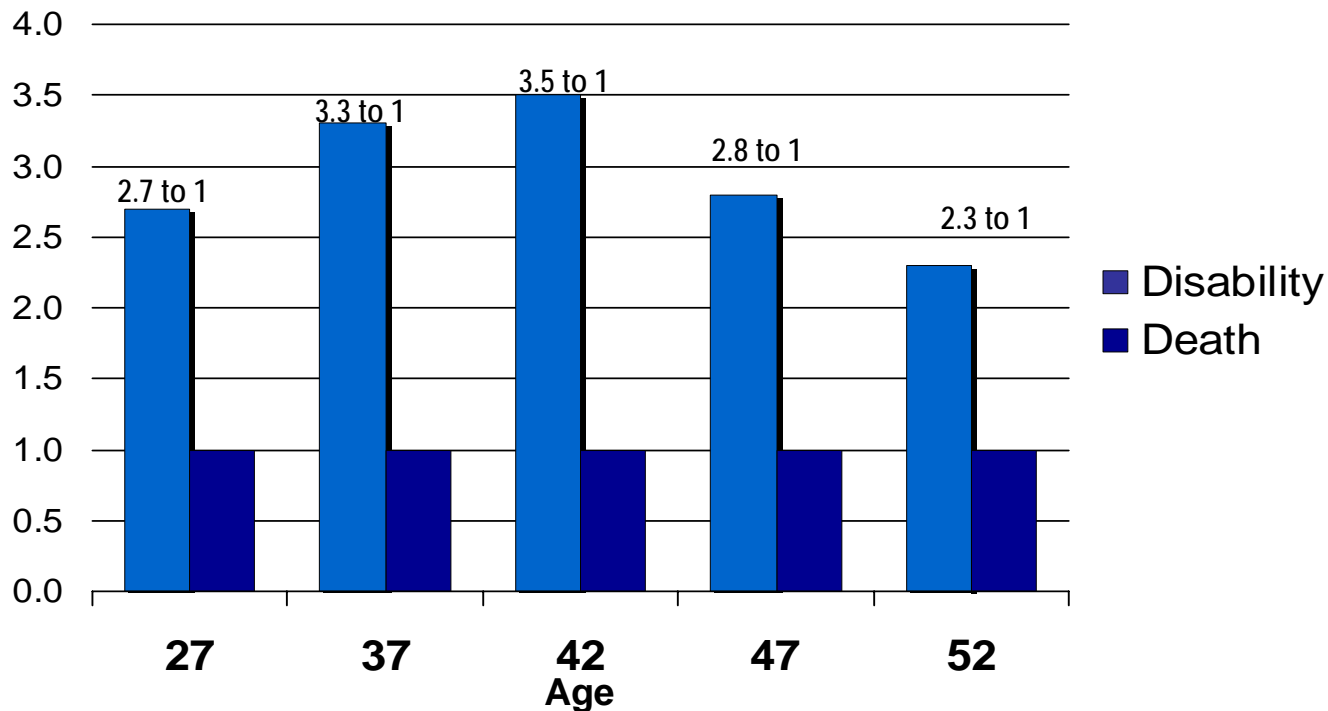
Average Duration of a Long-Term Disability

<u>Age</u>	<u>Average Years</u>
25	1.9
30	2.2
35	2.5
40	2.7
45	2.9
50	2.8
55	2.5

Commissioner's Disability Table A. Chances of disability occurring before age 65 and lasting longer than 90 days.

Is your client's Buy Sell Agreement fully funded?

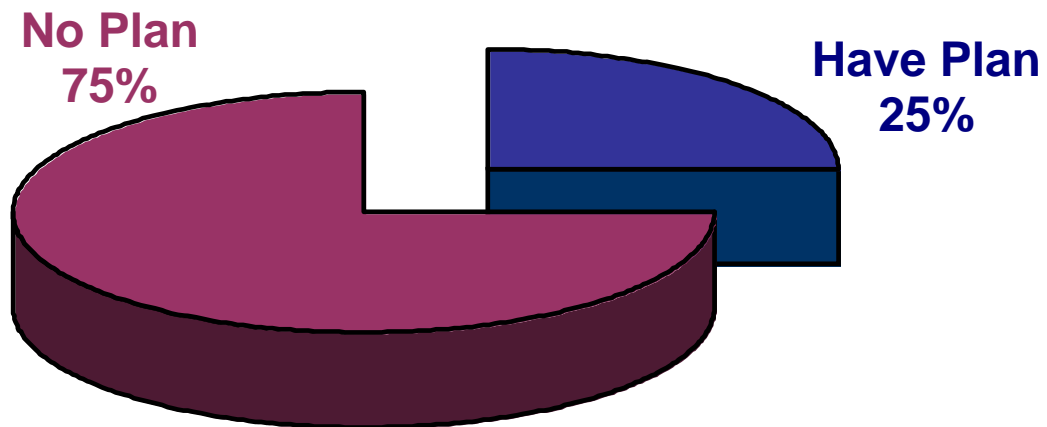
Your chances of disability are 2 to 3 times greater than death during your working years



* To age 65. Source Commissioners Individual Disability Table A

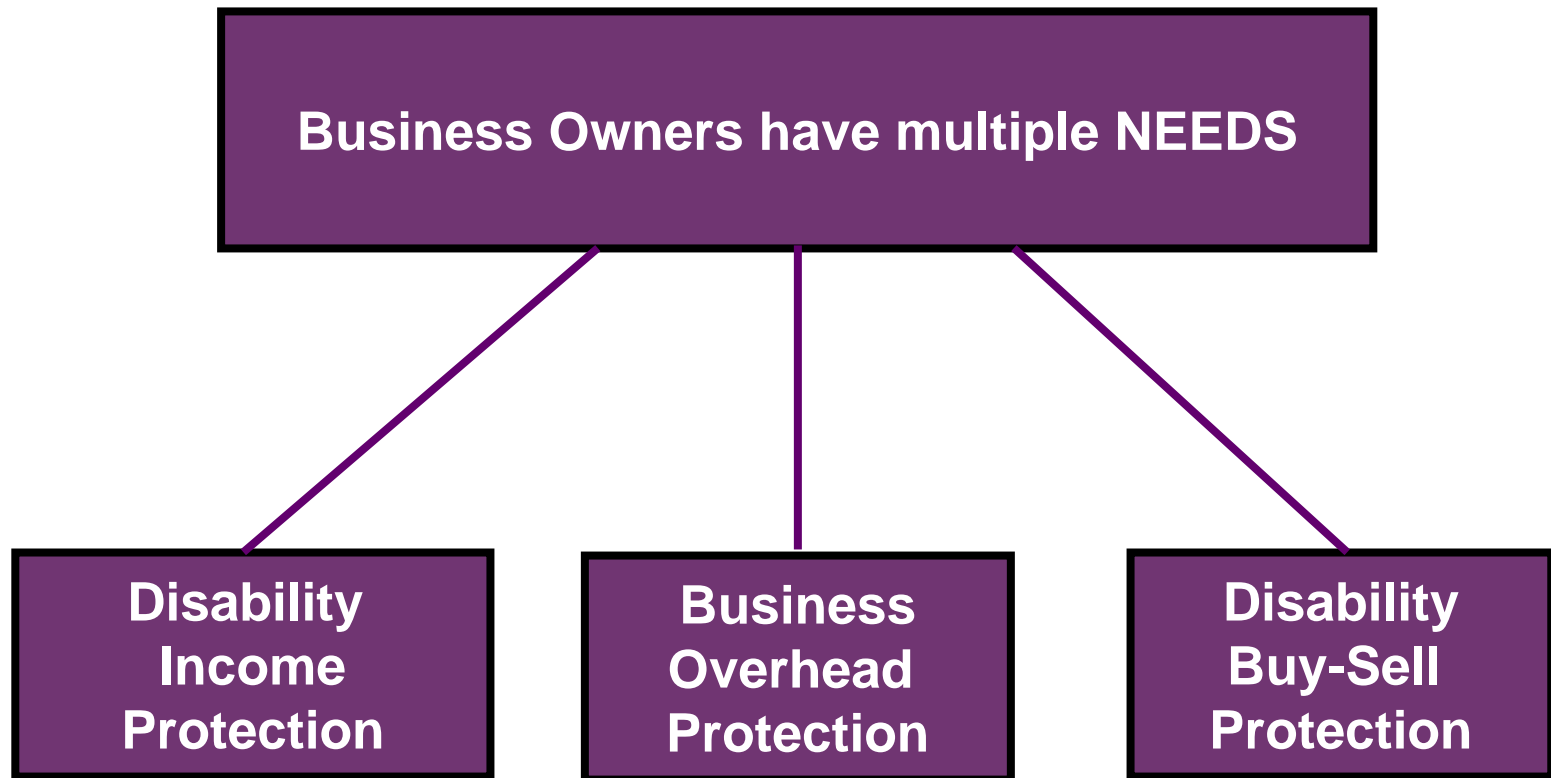
Owners Don't Plan to Fail..... They Fail To Plan

Small Businesses Succession Plans



Source: American Business Family Survey 2000

Are your business owner clients adequately protected?



What is Buy Sell Insurance?

In the event of a long term disability suffered by one of the partners in a business, this product provides the funding for the non disabled owners to buy back the shares of the disabled owner.



What is the Purpose?

- To successfully reach a company's full potential in today's environment, many businesses may require more than one owner.
- Owners work hard to build their companies into profitable businesses
- Businesses need it's owners to continue to grow and thrive
- Who will make decisions concerning the business when one of the owners becomes totally disabled?
- How will the disabled owner recover the capital invested in the business?
- How will the existing owners continue to grow the business and maintain all of the business expenses?
- What if the remaining owners are not able to continue the disabled owners salary?
- What if the disabled owner cannot find a ready buyer?
- Disabled owner may have to look to a family member to fill his/her shoes
- What happens to the business if one owner were to become disabled...

Ideal Prospects

- Business Owners who need to protect their businesses and themselves against the losses they would experience if any of the key partners were to become disabled.
 - Stable Businesses
 - Small Businesses or closely held corporations
 - Medical Practices
 - Law Firms
 - Accounting Firms
- Principals must be full-time active in the business (passive, investment type businesses are not insurable)
- Businesses that already have a Buy-Sell agreement funded by life insurance - the need has already been established.

Key Plan Variables

Pay-out Method

- Lump Sum - pay out is made in one payment
- Monthly - pay out is made for the duration of the benefit period
- Down Payment - a combination of monthly and lump sum

Elimination Period

- Similar to a waiting period
- Period of time that must elapse after the onset of disability before benefits begin to accrue.
- 365, 547 or 730 Days

Benefit Period

- Longest period of time benefits will be paid for a total disability under the Monthly or Down Payment Methods
- 24 months
- 36 months
- 48 months
- 60 months

Maximum Buy-Out Benefit Amount

- Amount of benefit as shown in the policy



Competitive Highlights

- Coordination of Benefits – In most states, MetLife has the ability to offer a Buy-Sell policy in addition to other Buy-Sell policies that are currently in force or applied for.
- Occupational Classes – Available to all occupational classes B-6A.
- Issue Limits – We offer up to 2.5 million to occupational classes 5A, 6A and 6S.
- Discounts – 15% discount is offered on 2 or more lives.
- Continuation of Benefits – If monthly installments are currently being paid and the insured dies, MetLife will continue to pay the benefit in full.
- Guaranteed Insurability Rider- Allows the policy owner to purchase additional coverage every other year as the value of your business increases up to age 50 or 51 without medical underwriting.
- Premium Refund – If MetLife pays less than the maximum buy-out benefit (except under the reduction after age 60 provision), MetLife will reimburse a portion of the last 12 months of premium paid.

What is Business Overhead Insurance

In the event of a disability suffered by a business owner, this product provides a reimbursement of certain ongoing business overhead expenses.



What is the Purpose?

- Owners work hard to build their companies into profitable businesses
- Businesses need it's owners to continue to grow and thrive
- What happens to the business if an owner were to become disabled...
- He or she may continue to draw salary even though he is unable to contribute to the income.
- Most fixed expenses could not be paid due to a loss in revenue.
- Creditors may demand immediate payments or even cut you off due to lack of payment.
- Banks may cut back on credit or recall loans.
- Customer and employee confidence could decline
- The end result...A failed business

BOE Ideal Prospects

- Business Owners who need to protect their businesses and themselves against the losses they would experience if they were to become disabled.
 - Small Businesses Owners of:
 - Medical Practices
 - Law Firms
 - Accounting Firms
 - Engineering Firms

Key Plan Variables

Elimination Period

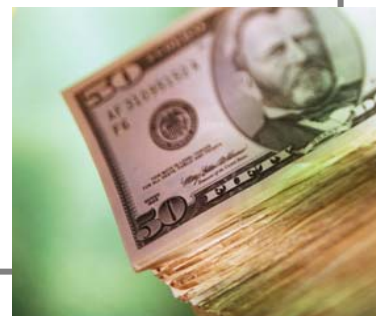
- Similar to a waiting period
- Period of time that must elapse after the onset of disability before benefits begin to accrue.
- 30, 60, 90 days

Benefit Period

- Longest period of time benefits will be paid for any one period of disability.
- 12, 18, 24 months

Benefit Amount

- Amount of monthly disability benefit
- Ranges from \$2,000/mo-\$30,000/mo



Covered Monthly Expenses

Covered Monthly Expenses

- Rent
- Utilities
- Employees wages
- Maintenance services
- Depreciation
- Property and Liability Insurance
- Taxes and Mortgage interest paid on business premises owned by the Insured and used in the Insured's occupation
- Interest on business debts

Highlights

- Issue Limits – MetLife is among the highest in the industry with maximum issue limits of \$30,000 per month.
- Definition of Disability – Definition of disability is among the most liberal definitions in the marketplace
- Residual Definition – partial or residual definition is built in with no additional premium!²
- Built-In Salary of Replacement Feature – MetLife will consider the salary of someone hired to perform the Insured's duties, less the amount of gross income generated by that individual, as a covered monthly expense for a period of 12 months or the end of the max. benefit period if earlier.
- Guaranteed Insurability – Rider which allows for increased benefit amounts every other year without evidence of medical insurability.

² Not available in CA



Questions?

MetLife®



Thank You!