

Business Overhead Protector®

Sample Disability Business Overhead Expense Insurance Policy



Standard Insurance Company

For use in California



Standard Insurance Company

INSURED:
POLICY NUMBER:

BUSINESS OVERHEAD EXPENSE INSURANCE POLICY

We, Standard Insurance Company, a stock life insurance company, agree with the Owner of this policy to pay the benefits of this policy according to its provisions.

This is a Business Overhead Expense Insurance Policy. We issued this policy to the Owner in consideration of the payment of the Premium and the statements made in the application. The application is part of the policy.

NONCANCELLABLE AND GUARANTEED RENEWABLE TO AGE 65. NO CHANGE IN PREMIUM RATES. As long as the Premium is paid by the end of each Grace Period, We cannot change the policy, including its Premium, until the Policy Anniversary on or next following Your 65th birthday. This is the Termination Date shown on the data page. The policy will terminate on that anniversary date, except as provided by the Renewal Option After Age 65, below.

RENEWAL OPTION AFTER AGE 65 – SUBJECT TO CHANGE IN PREMIUM RATES. Effective on the Policy Anniversary on or next following Your 65th birthday, the Renewal Option may be requested continuing this policy with a limited benefit period.

RIGHT TO RETURN POLICY. If not satisfied with this policy, the Owner may return it for cancellation within 20 days after receipt by the Owner. The policy must be returned to the agent who sold it, to any Standard agency office, or to Our home office. The policy will be void from the beginning, and any Premium paid for it will be refunded.

READ YOUR POLICY CAREFULLY. It is a legal contract between You and Standard Insurance Company.

If there are questions or concerns regarding this policy, the owner may contact a Standard Insurance Company agent or its home office at the address and telephone number shown below. The owner may also contact the Consumer Services Division of the California Department of Insurance at 300 S. Spring Street, Los Angeles, California 90013, 800-927-HELP. However, the Consumer Services Division should be contacted only after all contacts between the owner and Standard Insurance Company have failed to produce a satisfactory solution to the problem.

Signed at our Home Office
1100 S.W. Sixth Avenue Portland, Oregon 97204
(800) 247-6888

STANDARD INSURANCE COMPANY

by



Eric E. Parsons
Chairman, President and
Chief Executive Officer



Holley Y. Franklin
Corporate Secretary

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DEFINITIONS

AGE 65 - The Policy Anniversary on or next following Your 65th birthday.

BASE AMOUNT - The Base Amount is shown on the data page.

COMMENCEMENT DATE - The first day immediately following the completion of the Waiting Period. This date is shown on the data page.

CONTINUOUS DISABILITY - Recurrent periods of Disability from the same cause or causes are one period of Continuous Disability if separated by Your recovery of less than six months. Recovery means You are no longer Disabled from the same cause or causes.

CONCURRENT DISABILITY - If a Disability is caused by more than one Injury or Sickness, or from a combination, it is a Concurrent Disability. We will pay benefits for a Concurrent Disability as if there was only one Injury or Sickness. In no event will You be considered to have more than one Disability at the same time. Once a continuous period of Disability starts, it will be one period of Continuous Disability no matter what Injuries or Sicknesses, or how many, cause the Disability or cause it to continue.

COVERED EXPENSES - [Your share of business expenses incurred or allocable in Your regular occupation on or after the Commencement Date that are ordinary and necessary in the operation of Your business or profession.](#) We will use either the cash or accrual accounting method to determine Covered Expenses. The accounting method used will be the method You are using in Your business or profession on the date You become Disabled. [The expenses We cover are:](#)

1. [Salary, fees, and wages paid to or on behalf of employees](#), excluding those paid to:
 - a. A Family Member who has not been continuously employed by You or Your business during the 60 day period immediately prior to the date You become Disabled; or
 - b. Any person sharing expenses of Your business or profession; or
 - c. Any person hired to perform Your duties; and
2. [Employer-paid portions of FICA](#), other employment taxes, and benefits paid to or on behalf of employees for which salary, fees and wages are covered; and
3. [Rent and lease payments for furniture, equipment, and premises to the extent used or occupied by Your business](#); and
4. [Utility costs, including telephone, electricity, heat, and water](#); and
5. [Laundry, janitorial, and maintenance service costs](#); and
6. [Legal, accounting, auditing, billing, collection, and license fees](#); and
7. [Property, liability, malpractice, and business insurance premiums](#) which have not been waived due to Your Disability; and
8. [Professional, trade, and association dues](#); and
9. [Interest due on business debt existing on the date You become Disabled](#); and
10. [Depreciation or scheduled installment payments of principal on business loans as they come due](#) (one or the other but not both on the same property), on business property owned on the date You become Disabled, whichever is greater; and
11. [Business property taxes](#); and
12. [Business supplies, postage, and association and trade subscriptions](#) existing on the date You become Disabled, excluding any product purchased for resale.

Covered Expenses do NOT include:

1. Bonus, incentive compensation, profit sharing, and commission payments to anyone; and
2. Cost of sales and inventory; and
3. Travel and entertainment expenses, regardless of who incurs them; and
4. You or Your business's federal, state, and local income and excise taxes, including any interest and penalties; and
5. Expenses incurred or allocable to any period before the Commencement Date; and
6. Expenses covered by any other insurance contract; and
7. Expenses to the extent they are an obligation of any other person besides You; and
8. Expenses for the purchase of any pharmaceutical products; and
9. Expenses for the purchase of any equipment, motor vehicles, furniture, fixtures, and other capital items not owned by You on the date You become Disabled.

DISABILITY/DISABLED - Total Disability, as defined below.

EFFECTIVE DATE - The date on which this policy becomes effective. It is shown on the data page.

ELIGIBLE EXPENSES - During a period of Total Disability, Eligible Expenses are the Covered Expenses for that period.

FAMILY MEMBER - Your spouse, parent, son, daughter, brother or sister.

INJURY - Injury sustained by You:

1. After the Effective Date; and
2. While this policy is in force.

INSURED - The Insured under this policy is shown on the data page.

ISSUE AGE - The Issue Age is shown on the data page.

ISSUE AND PARTICIPATION LIMITS - The maximum amount of insurance coverage We will issue in relation to Your income, Covered Expenses, and all other coverage with any company.

LOSS - This means the same as Disability, defined above.

MAXIMUM BENEFIT - The Maximum Benefit is shown on the data page.

OUR - Standard Insurance Company.

OWNER - The Owner of this policy is shown on the data page.

PHYSICIAN - Any licensed practitioner of the healing arts. The Physician must be:

1. Practicing within the scope of his or her license; and
2. A person other than You, the Owner, or a Family Member.

POLICY ANNIVERSARY - The anniversary of the policy's Effective Date occurring each year the policy remains in force.

POLICY MONTH - A month measured from the same date in a month as the policy's Effective Date.

POLICY NUMBER - The policy number is shown on the data page.

PRESUMPTIVE TOTAL DISABILITY - Your total and permanent loss, because of Your Injury or Sickness, of one of the following:

1. Speech;
2. Hearing in both ears;
3. Sight in both eyes;
4. Use of both hands;
5. Use of both feet; or
6. Use of one hand and one foot.

RISK CLASS - The Risk Class is shown on the data page and includes the "Occ" Class and Sex shown on the data page.

SICKNESS - Your Sickness or disease which first manifests itself:

1. After the Effective Date; and
2. While this policy is in force.

SUBSTANTIAL AND MATERIAL ACTS - This means those acts normally required for the performance of Your regular occupation and which cannot be reasonably omitted or modified.

TOTAL DISABILITY/TOTALLY DISABLED - Because of Your Injury or Sickness [You are unable to perform with reasonable continuity the Substantial And Material Acts of Your regular occupation in the usual and customary way.](#)

WAITING PERIOD - That period, measured from the first day of Your Disability, during which You must be Disabled before Disability Benefits become payable. The Waiting Period is shown on the data page. More information on the Waiting Period is provided under EXCLUSIONS/LIMITATIONS.

WE/US - Standard Insurance Company.

YOU/YOUR - The Insured under this policy.

BENEFITS

BENEFIT FOR TOTAL DISABILITY - The Benefit For Total Disability payable each month during Your Continuous Total Disability will equal the sum of all Eligible Expenses since the Commencement Date, less the sum of all benefits We have paid for the same period of Your Disability under this policy, subject to the Benefit Limit, Maximum Benefit Period, and Allocation Of Covered Expenses sections below. The Benefit For Total Disability will begin on the Commencement Date or the date You become Totally Disabled, if later.

BENEFIT LIMIT - The total amount that We have paid for any period of Continuous Disability at any time cannot be more than the lesser of:

1. The Base Amount times the number of months since the Commencement Date; and
2. The Maximum Benefit.

MAXIMUM BENEFIT PERIOD - If the Commencement Date falls on or before the Policy Anniversary following Your 63rd birthday, We will not pay benefits beyond Your Age 65. If the Commencement Date falls after the Policy Anniversary following Your 63rd birthday, but is on or before the Policy Anniversary following Your 75th birthday, benefits will be paid for no more than 24 months. If the Commencement Date falls after the Policy Anniversary following Your 75th birthday, benefits will be paid for no more than 12 months.

ALLOCATION OF COVERED EXPENSES - If at the time of any Loss under this policy, there is other insurance in force that would provide reimbursement for Covered Expenses, We will count as Covered Expenses that part of those Expenses based on the ratio of this policy's Base Amount to the total monthly benefit (Base Amount) in force under this and all business overhead expense type policies insuring You. The Base Amount and the Maximum Benefit will not change.

BENEFIT FOR PRESUMPTIVE TOTAL DISABILITY - We will pay the Benefit For Total Disability during Your Presumptive Total Disability. The Commencement Date for any Presumptive Total Disability will be the first day of that Presumptive Total Disability.

TOTAL DISABILITY DUE TO COSMETIC OR TRANSPLANT SURGERY - We will consider You as Totally Disabled due to Sickness if, more than six months after the Effective Date, You become Totally Disabled from surgery to:

1. Improve Your appearance; or
2. Prevent Your disfigurement; or
3. Transplant part of Your body to someone else.

WAIVER OF PREMIUM BENEFIT - We will waive any Premium due after the Commencement Date if Disability benefits are payable on that Premium's due date. Once benefits are payable, We will refund to the Owner any Premium due and paid prior to the Commencement Date and during Your Continuous Disability.

SURVIVOR BENEFIT - If You die while Total Disability benefits are being paid under this policy, We will pay a benefit to the Owner or the Owner's estate. We will pay the lesser of:

1. Three times the Base Amount; and
2. The Maximum Benefit less the sum of all benefits We have paid for the same period of Your Disability under this policy.

EXCLUSIONS/LIMITATIONS

EXCLUSIONS FROM COVERAGE - We will not pay benefits for:

1. Disability due to an act of War or act incident to War. War includes any declared or undeclared War, whether civil or international, involving nations and/or sovereign territories. Acts of War or acts incident to War do not include acts of terrorism, so long as such acts are isolated in nature and unrelated to and not arising from War, as defined above.
2. The first 90 days of Your Disability due to pregnancy or childbirth.
3. Any Disability or condition We have excluded by name or specific description in an endorsement made part of the policy.

WAITING PERIOD LIMITATION - The Waiting Period is that period, measured from the first day of Your Disability, during which You must be Disabled before Disability Benefits become payable. No Disability Benefits are payable for any Disability experienced during this period. Disability Benefits start after the Waiting Period ends, on the Commencement Date, if You are Totally Disabled on that date. The Waiting Period and Commencement Date are shown on the data page.

Regardless of the number or length of any periods of recovery that may occur during Your Disability, for any Disability Benefit to become payable, the Waiting Period must be satisfied within the total number of consecutive days which equals two times the Waiting Period shown on the data page.

PRE-EXISTING CONDITIONS - For Disabilities caused or substantially contributed to by a Pre-existing Condition, or by medical or surgical treatment of a Pre-existing condition, We will pay benefits only if, on the date You become Disabled, the policy has been continuously in force for 24 consecutive months.

A Pre-existing Condition is any physical or mental condition, whether diagnosed or undiagnosed, which was misrepresented or not disclosed in your application, and for which:

1. You have received a Physician's advice, treatment or services; or
2. A reasonably prudent person would have sought medical advice, care or treatment for symptoms occurring;

during the 365 day period ending the day before this policy's Effective Date.

TIME LIMIT ON CERTAIN DEFENSES - After two years from this policy's Effective Date, no misstatements, except fraudulent misstatements, made by You or the Owner, in the application for the policy shall be used to:

1. Rescind the policy; or
2. Deny a claim for Disability starting after the end of such two year period.

For Disability starting after two years from the policy's Effective Date, no claim will be reduced or denied because a disease or physical condition existed before such date, unless it is specifically excluded or there was a fraudulent misstatement in the application for the policy.

CLAIMS

TIME OF LOSS - We will pay benefits under this policy only for a Loss which occurs while this policy is in force. Termination Of The Policy will not affect any claim for Disability, provided Your Disability begins within 30 days after the date of Injury or Sickness causing Your Disability, and provided that Your Injury or Sickness occurs while this policy is in force.

WRITTEN NOTICE OF CLAIM - We must be given Written Notice Of Claim by You or the Owner:

1. Within 30 days after a Loss starts; or
2. As soon as is reasonably possible.

Written Notice must be given:

1. To Us at Our home office at Box 711, Portland, Oregon 97207; or
2. To any of Our authorized agents.

Written Notice must include Your name and the Policy Number as shown on the data page.

CLAIM FORMS - We will send the Owner Written Proof Of Loss forms within 15 days after We receive Written Notice Of Claim. If We do not, the requirements of the Written Proof Of Loss section, below, will be satisfied if We receive a written statement including this policy number, signed by You, explaining the nature and extent of the Loss within the time shown below.

WRITTEN PROOF OF LOSS - We must receive Written Proof Of Loss within 90 days after the end of any period for which benefits are being claimed. If that is not reasonably possible, the claim will not be affected, provided Written Proof is furnished as soon as is reasonably possible. However, unless You lack legal capacity, We must be given Written Proof within one year after the 90th day referred to above for that claim to be valid.

DOCUMENTATION OF LOSS - Proof of each of the following elements of Written Proof Of Loss must be provided to Us at Your expense. We will not pay any Disability benefits until We receive satisfactory Written Proof of all of the following:

1. You became Disabled while insured under this policy and while it was in force;
2. Your Disability was a Continuous Disability through the Waiting Period and the Commencement Date; and
3. We receive such additional information as We may reasonably require in connection with Your claim, including but not limited to:
 - a. Information as outlined under Income Documentation, below;
 - b. Vocational data such as documentation of work duties and activities. Examples might include Your job description and appointment calendar, and documentation of Your court appearances or medical services You provided; and
 - c. Supplementary claims questionnaires and forms, such as pre-existing condition and vocational statements, and special authorizations for obtaining certain information, such as medical, financial and benefits records.

You must also submit all of the following documents at Your expense:

1. A completed claim statement signed by You;
2. A completed claim statement signed by Your Physician;
3. A written authorization, signed by You and on Our form, for Us to obtain records and information needed to determine Your eligibility for Disability benefits; and
4. Such other documents as We may reasonably require.

Once Your claim is approved, no Disability benefits will be continued beyond the end of the period for which You have provided Us with satisfactory Written Proof Of Loss. We will require You to submit additional documentation of Your claim at Your expense at reasonable intervals while You are receiving Disability Benefits.

INCOME DOCUMENTATION – We can require proof to establish Your current and prior incomes. We have the right to examine Your financial records, including Your tax returns, as often as We may require. These financial records may cover any period for which You claim to be Disabled.

PROOF OF YOUR COVERED EXPENSES - We require reasonable Proof Of Your Covered Expenses for any month for which Disability is claimed. We may require that You send Us copies of Your income tax returns, income and expense statements, books and records, or any other proof satisfactory to Us. At Our expense, We may have an audit of Your business records performed as often as is reasonably required while Your claim is pending or is being paid.

INVESTIGATION OF YOUR CLAIM - We will conduct a prompt Investigation Of Your Claim. We will not pay benefits until We have had a reasonable time to conduct an Investigation Of Your Claim and We have determined that benefits are payable.

PHYSICAL EXAM - We can have Physicians or specialists examine You, at Our expense, as often as reasonably necessary while You claim to be Disabled. Any such examination will be conducted by one or more Physicians or specialists whom We choose. We may defer or suspend payment of benefits if You fail to attend an examination or fail to cooperate with the person conducting the examination. Benefits may be resumed, provided that the required examination occurs within a reasonable time and benefits are otherwise payable.

TIME OF PAYMENT - After We receive satisfactory Written Proof Of Loss:

1. We will immediately pay any benefits then due that are not payable periodically; and
2. We will pay any benefits due that are payable periodically at the end of each month of Disability. Each month of Disability will be measured from the Commencement Date. Payment will be subject to Our receipt of continuing Written Proof Of Loss.

Any benefits that remain due and unpaid after Our liability ends for that Disability will be paid immediately upon our receipt of Written Proof of Loss for such remaining benefits.

PAYMENT OF CLAIMS - We will pay all benefits to the Owner or the Owner's estate, unless the Owner tells Us otherwise in writing. If:

1. Any benefit is payable to the Owner's estate; or
2. The Owner or any payee lacks legal capacity to give a valid release;

We can pay total benefits of up to \$1,000 to any relative of the Owner We believe is entitled to them. We will not be liable to anyone to the extent We make payment in good faith.

TERMINATION, PREMIUMS, REINSTATEMENT

PREMIUMS - The Premium, shown on the data page, is the amount We charge at regular intervals to keep this policy in force. Premiums are payable at Our home office. The first Premium is due on the policy's Effective Date. If the first Premium is not paid, the policy is never in force.

Premiums may be paid on an annual, semi-annual or quarterly basis. Also, the Owner may request a special monthly premium mode, subject to Our rules and Our approval. We may terminate this special mode at any time by writing to the Owner.

The Owner may request a change of premium mode by writing to Us. The change is subject to Our rules and Our approval. No change of premium mode will be allowed while You are Disabled.

GRACE PERIOD - A 31-day Grace Period to pay Premiums follows the due date of all Premiums except the first. The policy will continue in force during the Grace Period. If You become Disabled during the Grace Period, We will deduct any due and unpaid Premiums from any benefits paid.

TERMINATION OF THE POLICY - If a Premium is not paid by the end of its Grace Period, the policy will end. This policy will also end on the earliest of:

1. 12:01 a.m. on the Termination Date shown on the data page, unless this policy is being continued under the Renewal Option After Age 65 provision;
2. The date You are no longer actively and regularly employed for at least 30 hours per week if this policy is continued under the Renewal Option After Age 65 provision, unless You are Disabled on that date under the policy terms;
3. The date We approve the Owner's request for Conversion of the policy under the Conversion Option section; or
4. The date of Your death.

In addition, the Owner may terminate this policy by sending a written request to Us at Our home office.

On termination of the policy, We will refund any unearned premium to the Owner or the Owner's estate.

REINSTATEMENT - If this policy terminates because a Premium is not paid by the end of the Grace Period, the Owner may request that it be reinstated. If Our requirements for Reinstatement are met, the policy will be reinstated as follows:

1. If We receive the required Premium and if We do not require a reinstatement application, Reinstatement will be effective on the later of the date the Premium and the Owner's request are received at Our home office.
2. If We receive the required Premium and the Owner's request, but We require a reinstatement application, Reinstatement will be subject to Our approval and will be effective on the date We approve the application. However, if We disapprove the application, We must mail notice of Our disapproval to the Owner within 45 days after the later of the date We receive the Premium at Our home office or the date We receive the reinstatement application. If We do not mail notice of Our disapproval, the policy will be reinstated as of the 45th day.

The reinstated policy will not cover any Disability except Disability due to:

1. Injury sustained after the date of Reinstatement; or
2. Sickness that began more than ten days after the date of Reinstatement.

We may add or change provisions or limitations when We reinstate the policy. Except for the provisions that may be added or changed, the Owner's rights and Our rights will be the same as before the policy terminated.

CONVERSION OPTION

CONVERSION - At any time before Your 60th birthday, the Owner may ask to convert this policy to one of Our then currently issued disability income policies (the “new” policy) if all of the following conditions are met:

- a. We receive a written request to convert signed by the Owner; and
- b. We receive the initial premium at Our home office; and
- c. This policy is in force at the time We receive the request; and
- d. This policy has been in force for at least two years on the day We receive the request; and
- e. You have not been Disabled at any time during the six months just prior to Our receipt of the request; and
- f. We receive all information We require so that We can determine the appropriate benefit under Our Issue And Participation Limits for disability income.

Subject to the limits below, the Owner may elect the monthly benefit under the new policy. The monthly benefit of the new policy cannot exceed the Base Amount of this policy. The benefit period under the new policy will be two years. The Commencement Date of the new policy can be no earlier than the Commencement Date of this policy.

In no event can the monthly benefit under the new policy exceed Our limits. By “Our limits,” We mean the maximum disability income coverage We offer to new applicants in Your Risk Class on the date We receive the request, based on Our Issue And Participation Limits in effect on the day We receive the Conversion request.

The effective date of the new policy will be a day determined by Us after We approve the Owner’s written Conversion request.

The premium for the new policy will be the rate We charge for Your age, on Your nearest birthday, and Risk Class on the effective date of the new policy.

The new policy will cover only a Disability incurred after its effective date and while it is in force. It will exclude only conditions excluded by this policy.

This policy and all riders and benefits made part of this policy will terminate on the effective date of the new policy.

RENEWAL OPTION AFTER AGE 65

RENEWAL OPTION - The Owner may request in writing that Total Disability coverage under this policy continue beyond Your Age 65. At the time of the request and after Your Age 65, to continue this policy We will require proof satisfactory to Us that:

1. You remain actively and regularly employed for at least 30 hours per week; and
2. You are legally responsible for some or all of the expense of maintaining an office or business; and
3. You are not Disabled on the date We receive the Owner’s request at Our home office.

OPTION REQUEST - We must receive the Owner's written request at Our home office at least 90 days prior to the Termination Date. The policy must be in force with all due Premiums paid on the date We receive the request.

RENEWAL BENEFIT - We will continue only the Benefit For Total Disability beyond Your Age 65 under the Renewal Option. All other benefits terminate at Your Age 65. Except as shown below, the same provisions, exceptions and limitations in this policy continue to apply if the Renewal Option is elected. For Total Disabilities with Commencement Dates after the Policy Anniversary following Your 75th birthday, benefits will be paid for no more than 12 months.

All riders and added benefits made part of this policy terminate at Your Age 65, regardless of whether the policy is continued under the Renewal Option.

INITIAL PREMIUM - The Initial Premium to continue the policy under the Renewal Option will be based on the rate in effect for Your rating group at Your Age 65. We can change this Initial Premium at any time, but only if We change the Initial Premium for everyone in the state in which You live:

1. Who has this policy form; and
2. Who is in Your rating group.

We will refund to the Owner any Premium paid after Your Age 65, unless the policy is in force under the Renewal Option. Payment or receipt of any Premium after Termination Of The Policy will not continue it in force, unless the policy is being continued under the Renewal Option.

GENERAL PROVISIONS

THE CONTRACT - This insurance is provided in consideration of Our receipt of the completed application and payment of all required Premiums. This policy and all attachments, including any benefits, riders, endorsements and copies of the application and application supplements, make up the whole contract. No one, including Our agent, has the right to change or waive any part of this policy unless the change is approved in writing by Our President and Secretary.

CONFORMITY WITH STATE STATUTES - Any provision in this policy which, on the Effective Date, conflicts with the laws of the state in which You reside on that date, is amended to meet the minimum requirements of such laws.

LEGAL ACTION - Legal action cannot be brought against Us until at least 60 days following the date Written Proof is received by Us under Written Proof Of Loss. Also, legal action may not be brought against Us after three years from the date Written Proof is required under Written Proof Of Loss.

MISSTATEMENTS - If Your Issue Age or Sex have been misstated, any benefits will equal those that the Premiums paid would have purchased at Your correct Issue Age and Sex.

NOTICE - Changes, assignments and requests will not affect Us until We have received them from the Owner in writing at Our home office and, where required, We have approved them.

ASSIGNMENT - The Owner may assign this policy at any time while the policy is in force and while the Insured is not Disabled. We will be bound by an assignment only if it is in writing and only after it is approved at Our home office. Once approved, it will take effect as of the date the assignment was signed by the Owner. We are not responsible for the validity of an assignment, and We will not be liable for any action taken prior to, or for any payment made by Us before Our approval of the assignment.

OWNER - The Owner of this policy is the Insured unless stated otherwise in the application or later changed by the Owner. The Owner may name a successor owner who will become the new owner if the Owner dies before You. If no named successor owner is living when the Owner dies, and if You are not the Owner, the Owner's estate will become the new ow

SALARY REPLACEMENT RIDER

DEFINITIONS

Paragraph 1. of Covered Expenses in the Definitions of the policy is changed to read:

1. Salary, fees, and wages paid to or on behalf of employees, including any person hired to perform Your duties, excluding those paid to:
 - a. A Family Member who has not been continuously employed by You or Your business during the 60 day period immediately prior to the date You become Disabled; or
 - b. Any person sharing expenses of Your business or profession.

GENERAL PROVISIONS

RIDER PREMIUM - The annual premium for this rider is shown on the data page.

RIDER EFFECTIVE DATE - The Rider Effective Date is the same as this policy's Effective Date, unless a different Rider Effective Date has been given to this rider.

TIME LIMIT ON CERTAIN DEFENSES - The policy's Time Limit On Certain Defenses provision will apply to this rider as of the Rider Effective Date.

TERMINATION - This rider will terminate on the earliest of:

1. Your Age 65; and
2. The date the policy terminates for any reason; and
3. The date We approve the Owner's written request to terminate this rider.

PART OF POLICY - This rider is part of the policy to which it is attached. All terms and conditions, including definitions, of the policy which have not been changed by or which do not conflict with this rider will apply to this rider.

STANDARD INSURANCE COMPANY

By



Eric E. Parsons
Chairman, President and
Chief Executive Officer



Holley Y. Franklin
Corporate Secretary

NOTE: THIS BENEFIT IS AUTOMATICALLY INCLUDED WITH ALL POLICIES ISSUED AS 5A, 4A AND 3A RISKS. NO ADDITIONAL PREMIUM IS REQUIRED.

Standard Insurance Company

FUTURE PURCHASE OPTION RIDER

DEFINITIONS

EXPIRATION DATE - The date shown on the data page that this rider ends.

MAXIMUM NUMBER OF UNITS - The Maximum Number Of Units is shown on the data page.

OPTION DATE - Each Policy Anniversary occurring every two years after the policy Effective Date on or before this rider's Expiration Date and while this rider is in force.

UNIT OF PURCHASE - The base amount which can be purchased on an Option Date. The amount of each Unit and the Maximum Number Of Units are shown on the data page.

BENEFITS

FUTURE PURCHASE BENEFIT - The Owner may apply for the purchase of up to one Unit Of Purchase, or for any part of a Unit, on any Option Date. If all or any part of a Unit is not purchased on an Option Date, the Owner may carry the Unit or any unused part over to the next Option Date, but not beyond, the next Option Date.

To apply for the purchase of all or part of a Unit that has been carried over, all of the current Unit must first be purchased. [In no event may a total of more than two Units be exercised on any one Option Date.](#) The total number of Units purchased under this rider, may never be more than the Maximum Number Of Units shown on the data page.

On the first Option Date, the Owner may also apply for the purchase of up to one additional Unit Of Purchase if You are not Disabled on that Option Date. All of the current Unit must first be purchased. No unused part of this additional Unit may be carried over.

We will issue a separate business overhead expense policy for the benefit amount properly applied for, if You qualify as shown below. The policy will be whatever form We are issuing when the Owner applies to purchase the particular Unit.

TO QUALIFY TO PURCHASE A UNIT - A unit can be purchased if, at the time the Owner applies, the Base Amount under the new policy, when added to all business overhead coverage on You with Us, any other insurer, and any government agency, does not exceed Our limits. By "Our limits," We mean the maximum business overhead expense coverage We offer to new applicants in Your risk class at the time of the request. We will apply Our Issue And Participation Limits and Our other underwriting rules in effect at the time We receive the Owner's written request to purchase a Unit.

APPLYING FOR THE PURCHASE - To apply to purchase a Unit, the Owner must give Us a written application, satisfactory to Us, within the 60 day period prior to the Option Date. We will need information regarding all of Your business overhead expense and disability type coverages, both existing and applied for. Evidence of Your health will not be required.

[Only one Unit Of Purchase may be applied for during any Continuous Disability.](#)

WHEN PURCHASED BENEFIT IS PAYABLE - Each new policy purchased under this rider will be effective on its Option Date. However, if You are Disabled on the applicable Option Date, any benefit payable under the new policy will begin on the 91st day of Your Continuous Disability after that Option Date. Once payable, We will continue to pay the benefit payable under the new policy while Your Disability continues.

PREMIUM FOR EACH NEW POLICY - The Premium For Each New Policy is based on the rate for Your age, on Your nearest birthday, as of the applicable Option Date. The rate will be calculated by using the risk class below which is more favorable to You:

1. Your class of risk in effect when We issued the policy; or
2. Your class of risk on the applicable Option Date.

If the premium for the policy is being waived on the Option Date because You are Disabled, the Premium For Each New Policy will also be waived until the base policy premium becomes payable again.

Unless waived under the previous paragraph, the first Premium For Each New Policy must be paid at the time the new policy is applied for. Payment may be made at Our home office or to an authorized agent.

GENERAL PROVISIONS

RIDER PREMIUM - The annual premium for this rider is shown on the data page.

RIDER EFFECTIVE DATE - The Rider Effective Date is the same as this policy's Effective Date, unless a different Rider Effective Date has been given to this rider.

TIME LIMIT ON CERTAIN DEFENSES - The policy's Time Limit On Certain Defenses provision will apply to this rider as of the Rider Effective Date.

TERMINATION - This rider will end on the earliest of:

1. The Expiration Date for this rider shown on the data page; and
2. The date the total of all benefit increases exercised under this rider equals the value of the Maximum Number Of Units for this rider shown on the data page; and
3. Your Age 65; and
4. The date this policy terminates for any reason; and
5. The date We approve the Owner's written request to terminate this rider.

PART OF POLICY - This rider is part of the policy to which it is attached. All terms and conditions, including definitions, of the policy which have not been changed and which do not conflict with this rider will apply to this rider.

STANDARD INSURANCE COMPANY

By



Eric E. Parsons
Chairman, President and
Chief Executive Officer



Holley Y. Franklin
Corporate Secretary

Standard Insurance Company

PARTIAL DISABILITY RIDER

DEFINITIONS

CALENDAR YEAR - A year measured inclusively from January 1 to December 31.

CPI-U – The average Consumer Price Index For All Urban Consumers published by the United States Department of Labor for a given year. If the CPI-U is discontinued or changed, We may use a comparable index.

DISABILITY - As used in this rider, means:

1. Total Disability; and
2. Partial Disability.

ELIGIBLE EXPENSES - During:

1. A period of Partial Disability; or
2. A period during which Recovery Benefits are payable, Eligible Expenses are:
 - a. Covered Expenses for that period, times
 - b. The Loss Of Total Income for that period divided by the Indexed Prior Total Income for that period.

If Loss Of Total Income is 75% or more of Your Indexed Prior Total Income, Eligible Expenses for that period will be equal to Covered Expenses for that period.

INDEXED PRIOR TOTAL INCOME - Your Prior Total Income adjusted by the applicable rate of increase in the CPI-U. During Your first year of Disability, Indexed Prior Total Income is the same as Prior Total Income. After that, Indexed Prior Total Income is determined on each anniversary of the date Your Disability starts by increasing the previous year's Indexed Prior Total Income by the rate of increase in the CPI-U for the prior Calendar Year. If there is no increase in the prior Calendar Year's CPI-U, there will be no increase in the Indexed Prior Total Income for the current year. However, Indexed Prior Total Income will not decrease even if the CPI-U decreases.

LOSS OF TOTAL INCOME - Your Indexed Prior Total Income less Your Total Income. Loss Of Total Income is determined each month for which a Partial Disability Benefit or Recovery Benefit is claimed.

PRIOR TOTAL INCOME - The greater of:

1. Your average monthly Total Income for the six full calendar months immediately before Your Disability; and
2. Your highest average monthly Total Income for any 24 consecutive month period falling entirely within the five year period immediately before Your Disability began.

PARTIAL DISABILITY/PARTIALLY DISABLED - You are Partially Disabled if You are not Totally Disabled, and while actually working in Your regular occupation, as a result of Your Injury or Sickness You are unable to earn 80% or more of Your Indexed Prior Total Income.

TOTAL INCOME - Your share of the gross income earned from Your business or professional activities, excluding investment and unearned income, less the cost of goods sold, if applicable. We will use either the cash or accrual accounting method to determine Total Income. The accounting method used will be the method You are using in Your business or profession on the date You become Disabled.

If You are legally liable for only a share of Covered Expenses, We will use the same share when determining Your share of Total Income.

BENEFITS

BENEFIT FOR PARTIAL DISABILITY - The benefit for Partial Disability payable each month during Your Continuous Partial Disability will equal the sum of all Eligible Expenses since the Commencement Date, less the sum of all benefits We have paid for the same period of Your Disability under this policy, subject to the Benefit Limit, Maximum Benefit Period, and Allocation Of Covered Expenses sections of the policy.

The Benefit For Partial Disability will begin on the later of:

1. The Commencement Date; or
2. The date You become Partially Disabled.

RECOVERY BENEFIT - You will be eligible for a Recovery Benefit for a maximum of 12 consecutive months if:

1. You are not eligible for a Total or Partial Disability benefit; and
2. You are engaged at least 30 hours per week in Your regular occupation immediately following a Disability for which benefits under this policy were payable.

No Recovery Benefits will be paid after the earliest of the following:

1. The date an amount equal to 12 monthly Recovery Benefit payments has been made; and
2. Your Age 65; and
3. The date of Your death.

The Recovery Benefit payable is equal to the sum of all Eligible Expenses since the Commencement Date, less the sum of all benefits We have paid for the period of Your Disability under this policy, subject to the Benefit Limit, Maximum Benefit Period, and Allocation Of Covered Expenses sections of the policy.

The Recovery Benefit will begin on the day after Your Total or Partial Disability ends. It will continue for as long as You remain eligible, and only until the benefit terminates, as described above. We will waive any premium due while benefits are payable under the Recovery Benefit.

GENERAL PROVISIONS

RIDER PREMIUM - The annual premium for this rider is shown on the data page.

RIDER EFFECTIVE DATE - The Rider Effective Date is the same as this policy's Effective Date, unless a different Rider Effective Date has been given to this rider.

TIME LIMIT ON CERTAIN DEFENSES - The policy's Time Limit On Certain Defenses provision will apply to this rider as of the Rider Effective Date.

TERMINATION - This rider will end on the earliest of:

1. The expiration date of this rider; and
2. Your Age 65; and
3. The date the policy terminates for any reason; and
4. The date We approve the Owner's written request to terminate this rider.

PART OF POLICY - This rider is part of the policy to which it is attached. All terms and conditions, including definitions, of the policy which have not been changed by or which do not conflict with this rider will apply to this rider.

STANDARD INSURANCE COMPANY

By



Eric E. Parsons
Chairman, President and
Chief Executive Officer



Holley Y. Franklin
Corporate Secretary



This is a sample of a Business Overhead Protector® policy in California. It is not an actual contract. Optional riders are subject to underwriting and reinsurance availability, and are available at extra cost. Some riders may not be available in all states. A medical exam may be required when you apply for a policy. This policy has exclusions and limitations, and terms under which the policy may be continued in force or discontinued. For costs and complete details of coverage contact your insurance representative or The Standard at 800.247.6888.

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