

A Member Benefit of:

# STATE BAR *of* TEXAS



## OFFICE OVERHEAD EXPENSE PLAN

Help protect the business you've built.

A portrait of a middle-aged man with grey hair, a beard, and glasses, wearing a dark blue suit, light blue shirt, and a dark blue tie with white polka dots. He is smiling slightly and looking directly at the camera. The background is a blurred office setting with glass partitions.

## Help defend **YOUR WORLD** AND YOUR FIRM

Help protect what you have built with Office Overhead Expense (OOE) Insurance, which pays benefits to your business if you are unable to work. This is an exclusive benefit, available to you as a member of the State Bar of Texas. OOE plan features include:

- ➔ Up to \$10,000/month in coverage available
- ➔ Coverage you can keep, as long as you maintain your State Bar of Texas membership
- ➔ Issued by The Prudential Insurance Company of America

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### Help prepare for whatever life has in store.

Office Overhead Expense (OOE) Insurance pays your actual overhead expenses, up to the monthly benefit amount you select. The State Bar of Texas OOE plan covers you 24/7, and you don't have to be permanently disabled or confined to your home or a hospital to receive benefits. **OOE Insurance covers office expenses incurred while running your firm, such as:**

- Charges for electricity, telephone, heat, water, and laundry
- Employees' salaries or wages
- Costs related to maintaining equipment
- Payments for leased equipment and furniture
- Car allowances (as related to the firm)
- Interest on existing business loans incurred prior to disability
- Business insurance premiums
- Payroll taxes
- Rent or mortgage interest payments
- Principal and interest on debt related to purchase of the practice
- Real estate taxes
- Principal and interest on student loans (amounts previously payable by the firm)



## Use this chart to calculate your quarterly premium.

The maximum monthly benefit amount is \$10,000.

| AGE      | QUARTERLY COST PER \$100 OF MONTHLY BENEFIT |
|----------|---------------------------------------------|
| UNDER 30 | \$2.55                                      |
| 30-39    | \$3.00                                      |
| 40-49    | \$3.60                                      |
| 50-59    | \$4.90                                      |
| 60-69    | \$6.85                                      |

Premiums are paid quarterly and are due on the 1st of January, April, July, and October. All rates are based on your age at the time of your approval; they will increase as you enter higher age bands. *These changes will occur based on your age on January 1 each year. Rates change as the insured enters a higher age category. Rates may also change if plan experience requires a change for all insureds.*

## Frequently asked questions

- ➔ **What are the tax implications?** Your OOE Insurance premium payments may be deductible when filing your federal income tax. Consult your tax advisor about this deduction.
- ➔ **What if I leave Texas?** If you decide to move out of state, you can continue your coverage as an affiliate State Bar member until you reach age 70.
- ➔ **What about my survivors?** If you die while receiving benefits, your spouse or dependent children will receive a lump sum benefit equal to the lesser of three-times your Maximum Monthly Benefit or 50% of your Maximum Monthly Benefit times the number of months remaining in the unexpired portion of the Maximum Benefit Duration at the time of your death.
- ➔ **Can I increase my coverage?** You can apply to increase your coverage at any time by submitting a new application. However, if you're less than 40 years old and medically approved, you can increase your coverage by \$1,000 annually (up to a \$5,000 lifetime maximum) without requiring proof of good health. All coverage increases must be exercised prior to age 45 and a member's total coverage cannot exceed the Plan maximum of \$10,000.

# Know your needs

Use this chart to see how much OOE you might need. If your firm is a professional corporation or a partnership, only list your portion of the expenses.

| MONTHLY EXPENSE WORKSHEET                                |    |
|----------------------------------------------------------|----|
| Rent or mortgage                                         | \$ |
| Employee benefits                                        | \$ |
| Loan interest                                            | \$ |
| Office insurance (including malpractice)                 | \$ |
| Ongoing educational programs                             | \$ |
| Business seminars (inc. travel expenses)                 | \$ |
| Heat                                                     | \$ |
| Laundry                                                  | \$ |
| Answering service                                        | \$ |
| Depreciation of equipment                                | \$ |
| Office                                                   | \$ |
| Supplies                                                 | \$ |
| Employee salaries                                        | \$ |
| Property taxes                                           | \$ |
| License fees                                             | \$ |
| Accountant fees                                          | \$ |
| Professional membership dues                             | \$ |
| Electricity                                              | \$ |
| Water                                                    | \$ |
| Telephone                                                | \$ |
| Office equipment and leases                              | \$ |
| Computer network and data access fees                    | \$ |
| Other fixed expenses                                     | \$ |
| TOTAL                                                    | \$ |
| Subtract estimated overhead reduction during disability* | \$ |
| MONTHLY BENEFIT NEEDED                                   | \$ |

\*If you can reduce any expenses during disability without impacting your business, you may want to subtract this amount when calculating your insurance needs.

## Additional coverage and benefit Information

Benefits begin after you have been totally disabled for 16 continuous days. If you're under age 70, your benefits can continue for as long as 24 months for each period of disability. If you're under age 70 and are continuously disabled for more than 24 months but have not yet reached the aggregate amount (equal to your monthly benefit amount multiplied by 24 months), benefits can continue until the aggregate is reached or for 12 months, whichever occurs first. Your coverage ends on the January 1 that follows your 70th birthday. You are considered totally disabled if you can't perform the material and substantial duties of your occupation due to sickness or injury. You must be under the care of a licensed physician, and you can't be engaged in any other gainful occupation.





## APPLYING IS EASY!

Scan to download a request form or visit

→ [memberbenefits.com/texasooe](https://memberbenefits.com/texasooe)

You will be notified when your request has been approved and the coverage is in effect. **Questions?** Call 800-282-8626 for more information.

ADMINISTERED BY: **MB** | <sup>Texas</sup> MemberBenefits



THE SBOT Office Overhead Expense Insurance Plan contains exclusions that describe conditions under which benefits are not payable. Refer to the Group Contract for complete details regarding exclusions.

Office Overhead Expense Insurance is issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102. This coverage contains certain limitations and exclusions; please see the certificate booklet for full details. If there is a discrepancy between this document and the certificate, the terms in the certificate will prevail. Contract series 83500. COA# 1179, NAIC 68241.

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