

Business Overhead Expense

Business overhead expense (BOE) is a form of disability insurance specially suited to the business owner. BOE policies are designed to reimburse certain business expenses of the owner while he or she is totally or partially disabled. The funds provided by the BOE policy help the business survive during the period of the owner's disability. Often, the BOE policy is the reason the owner has a business to return to after the disability. Should the disability appear permanent, the owner usually has additional time to make decisions regarding the future of the business.



Generally speaking, there are only certain types of business owners who qualify for BOE coverage. These include owners of closely held businesses, owners of small businesses and professionals with their own practices.

Some of the expenses typically covered by a BOE policy include the following.

- Legal and accounting fees
- Utilities
- Principal payments on debt
- Leased equipment
- Business insurance premiums
- Office supplies
- Salaries of non-owner, non-family employees
- Professional dues
- Business taxes
- Rent
- Workers compensation

In no instance is there any payment from a BOE policy to the business owner. Instead, these funds must come from his or her own disability plan.