



Business Loan Repayment Rider

Sales Primer

The Business Loan Repayment Rider (BLRR) creates an opportunity to position yourself as a resource to both the business owner and the loan officer or financial institution by providing meaningful benefits to both parties.

In the United States, there are close to 32.5 million small business owners¹. This represents over 99% of all the nation's employers. These same small businesses have collectively over \$764 billion of outstanding loans².

Why is the BLRR attractive?

Most small business loans, especially those guaranteed by the Small Business Administration, require the borrower to put up collateral in case the borrower is not able to continue to make payments. For your business owner clients who don't have any or enough collateral to guarantee the loan, the BLRR can become extremely important. It helps the loan officer and/or bank protect themselves while being able to further consider the loan for your client.

Lending institutions to consider

Community banks and local credit unions are well-suited to provide small business loans since staff at smaller financial institutions work closely with customers and typically want to develop long-standing relationships with them. Establishing a relationship with these smaller financial institutions can earn you more referrals to business owners.

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Business Loan Repayment Rider

The BLRR is a value added rider of the Business Overhead Expense (BOE) policy because it offers additional protection for the business owner. While the interest of most business loans are covered under normal and customary expenses of the BOE product, the BLRR takes this protection one step further. In the event of a total disability, the BLRR covers the principal and the interest of a specified business-related loan obligation.

This protection is not only appealing to the business owner but also the lender and could result in the approval of the loan.

For an additional premium, this rider can provide protection on up to three loans for a maximum monthly benefit of \$20,000 (the total coverage of all loans cannot exceed \$2 million).

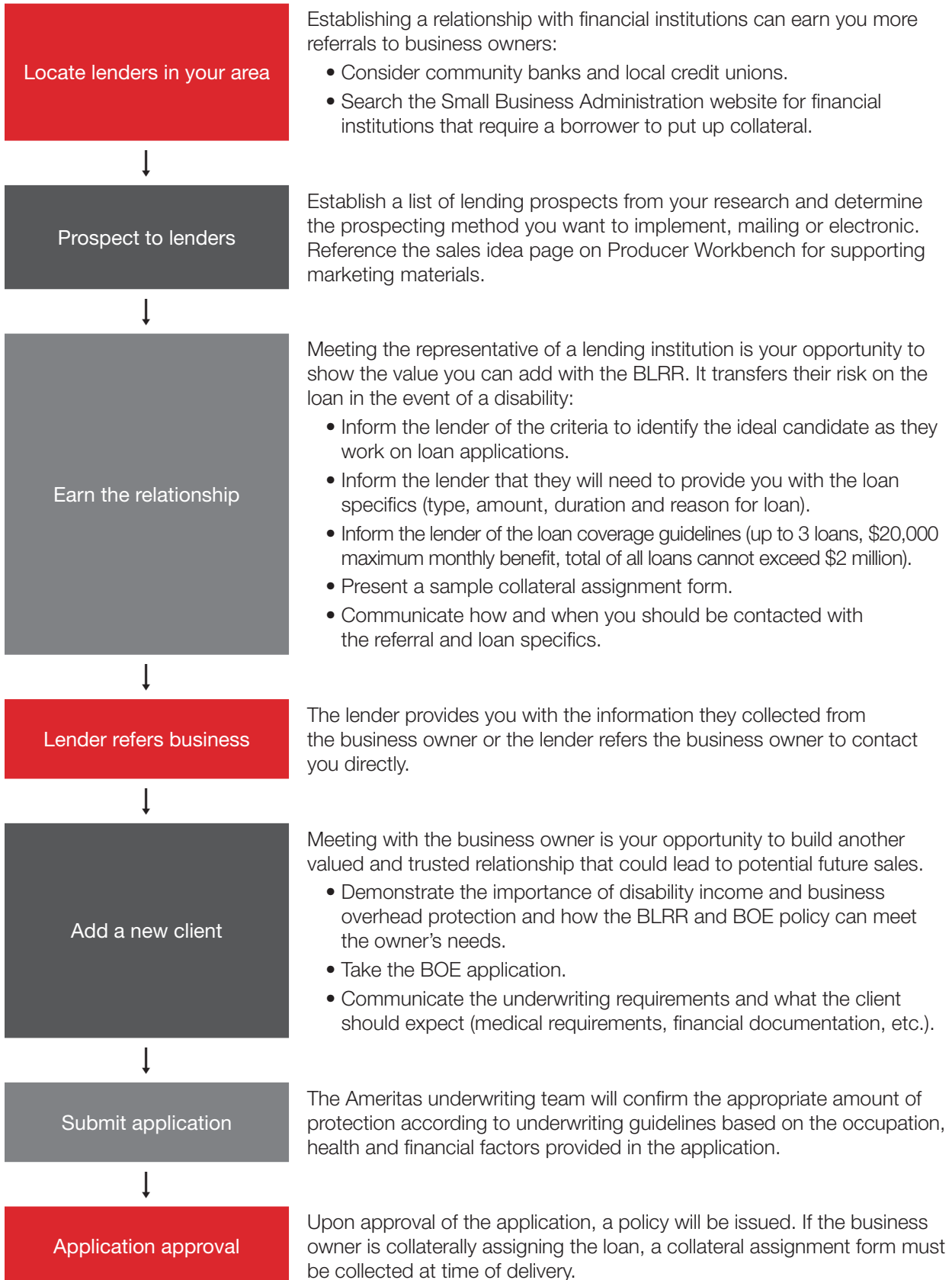
Prospects for the BLRR

Typical candidates include:

- Owners of small businesses or practices.
- Ages 30-55.

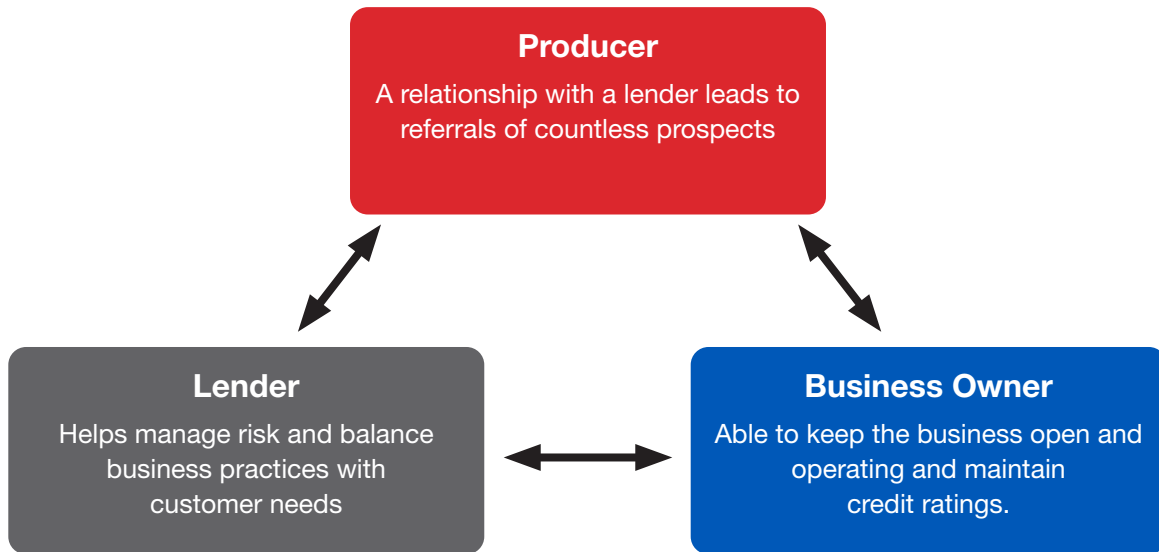
Types of Loans Covered:	Elimination Periods:	Loan Duration:	Examples of Loan Needs:
<ul style="list-style-type: none"> • Fixed and variable rates. • Commercial mortgage. • Lease financing. • Balloon. 	<ul style="list-style-type: none"> • 30-day. • 60-day. • 90-day. • 180-day. • 365-day. <p>Must be equal to or greater than the base benefit elimination period.</p>	<ul style="list-style-type: none"> • 3 – 10 years. • 15 years. • Not to exceed age 65. 	<ul style="list-style-type: none"> • Purchase of a practice or existing business. • Purchase of a large piece of business equipment. • Expansion of the business or practice. • Renovations and improvements to the business facility. • Purchase of a building used solely for the business.

The process



Benefits of the BLRR

Establishing a relationship with business lenders provides benefits for the lender, the business owner and you.



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¹ <https://advocacy.sba.gov/wp-content/uploads/2021/12/Small-Business-FAQ-Revised-December-2021.pdf>

² Zippia. "25+ Essential Small Business Lending Statistics [2023]: What Percentage Of SBA Loans Get Approved" Zippia.com. Nov. 3, 2022, <https://www.zippia.com/advice/small-business-lending-statistics/>

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