Individual Disability Income Insurance, the Impaired Risk & Impaired Risk Disability Insurance

Assurity’s Graded Benefit Disability Insurance

Policy form A-D120.
Availability, rates and features may vary by state.
Policy underwritten by Assurity Life Insurance Company, Lincoln, Neb.
FOR AGENT USE ONLY.
Disability

- Are you aware three in 10 workers entering the work force today will become disabled before retiring?*

- This potential scenario can lead to dramatic financial impacts on these individuals.

*Social Security Administration, Fact Sheet January 31, 2007
Disability Insurance

What is it Good for?

Absolutely Everything!
Say it again, Y’all
Disability Insurance

What is it Good for?

Absolutely Everything!
Listen to Me
Disability Insurance Protects EVERYTHING
Yes,
Disability Insurance
Protects
your Income,
but...
Income Protects

- Home
- Car
- Health
Income & Home
Income & Home

- Mortgage or Rent
- Property Taxes
- Utilities (Gas, Electric etc.)
- Maintenance or Condo fees (HOA)

Income also helps pays for the Homeowners or Renters Insurance “EVERYONE” has
Income & Car
Income & Car

- Car Loan or Lease Payment
- Gas
- Maintenance (oil changes, brakes etc.)

Income also helps pays for the Car Insurance “EVERYONE” has
Income & Health
Income & Health

- Food
- Medications & Vitamins
- Hospital, Doctors visits, Therapy or Home Health care
- Home Modifications due to Health concerns

Income also helps pays for Health & Life Insurance which “EVERYONE” has
Income

- Also provides for
  - Activities (Restaurants, Movies, Health Club etc.)
  - Vacations
  - Gifts/Presents
  - College and Weddings
  - Retirement fund
No Disability Insurance = No Income
Individual Disability Insurance (IDI)

Individuals with serious health issues are often…

Declined for traditional IDI coverage
When your client is declined for Individual Disability Insurance it’s like he/she received a **Burn Notice**
Assurity’s GBDI
Assurity’s Graded Benefit Disability Insurance Program is
Individual Disability Income Insurance for the Medically Impaired Client
1 in 3 Disabled

Do you think that someone who has serious health concerns is at more or less risk of being the 1 in 3?

More of course
Who is the Medically Impaired Client?

What is the Product?

Who is Accepted?

How is GBDI Underwritten?

What is the Rate Structure?

Who is the Ideal Candidate?
Who is the Medically Impaired Client?

Those NOT eligible for the regular IDI market due to health issues.

- Previously Declined – estimated 10%
- Never Submitted – estimated 10-15%

This niche is 20-25% of working AMERICA
Blue Collar

Grey Collar

White Collar

Professionals
Working America with...
physical disorders
receiving appropriate care
a disability insurance underwriter
receiving Psychological care
Professionals with
serious health conditions

Diabetes
Heart conditions or Cancers
working to stay compliant
Individual
Guaranteed Renewable
Rate Structures

Male/ Female

Smoker/Non-Smoker
10 year Benefit Period for Occupation Classes 4A & 3A

5 year Benefit Period

2 year Benefit Period
Monthly Benefits to $11,000

Occupational Class Limitations
Elimination Periods

30 day available for 2 year Plan

60, 90, 120 & 180

365 day available for 5 or 10 year Plans
Graded Benefits

1\textsuperscript{st} policy year = 35\%

2\textsuperscript{nd} policy year = 70\%

3\textsuperscript{rd} policy year and after = 100\%
Definition of Total Disability
Two-Year, Own Occupation
Mental/Nervous & Drug/Alcohol
Benefits at 50%
Up to 12 months Benefits
Partial Disability
50% for 6 months
Included Benefits

Presumptive Disability Benefit

Vocational Rehabilitation Benefit
(up to 6 months)

Home Modification
(up to $1,000)

Survivor Benefit
(6 times Full Monthly Benefit)
Waiver of Premium

After 90 days, premiums are Waived and Refunded
Additional Benefit Riders

Five-year Own Occupation Rider

Non-graded Injury Benefit Rider
Acceptable Conditions

ADD/ADHD
Ankylosing Spondylitis
Bipolar Disorder
CVA – Stroke
COPD
Crohn’s Disease
Diabetes

Alcoholism
Anxiety/Depression
Cancer
Chronic Fatigue Syndrome
Coronary Artery Disease
Diabetes
Drug Abuse

See your agent or a copy of the policy for a complete list.
Acceptable Conditions

Elevated Liver Enzymes  Epilepsy
Fibromyalgia          Heart Attack
Heart Valve Replacement  Hepatitis - B & C
Meniere’s Disease      Mental/Nervous Disorder
OCD                    Osteomyelitis
Rheumatoid Arthritis   Sarcoidosis
Sleep Apnea            Ulcerative Colitis

See your agent or a copy of the policy for a complete list.
Attorney - Male age 52
Income - $350,000
Applying for 10 year BP
  $8,000 MB, 90 day EP
  & both Optional Benefits
Requirements: B & U, TIR & Tax Docs

Client Data

Anxiety with Depression
(since 4/06 - on Meds as needed)
Waive B & U -- Labs of 11/10 from declined “standard” carrier
Results “Within Normal Limits”

Alcohol Abuse (in AA past 2 years)
Angioplasty with Stent (7/10), but no Heart Attack
High Blood Pressure (3/05 on Meds)

-Application-

Approved for 10 year BP
$8,000 MB, 90 Day EP
with Non-Graded Injury & 5 year own occ. Options

-Underwriting-

Decision
Association CEO - Male age 45
Income - $360,000   Employer paid
Grp LTD = $7,500
Applying for 5 year BP
  $9,800 MB, 60 day EP
  & no Optional Benefits
Requirements: B & U, TIR, Tax Docs

Client Data

Nasal Polyps, Benign – ‘06
Fatty Liver – Normal Hepatic Panel
Waive B & U - APS notes Labs
6/09 LFT’s - Normal
TIR - Sleep Apnea ’07 – using C-pap nightly

Depression – meds since ’99   GERD – ‘04
High Blood Pressure - on Med
Build - 6’2”/250
(trying to lose wt. - diet & exercise)

-Application-

Approved for 5 year BP
$9,800 MB, 60 Day EP
with Non-Graded Injury (broker requested at issue)

-Underwriting-

Decision
Laboratory Technician - Male age 45
Income - $90,000
Applying for 5 year BP, 90 day EP
$3,000 MB (has $1,000 IDI)

Requirements: Tax Docs
Client Data
Osteoarthritis on Meds
Left Hip Replaced 8/09)
(no problems since)
Telephone Interview Report

Ulcerative Colitis (SINCE AGE 30)
(Last flare-up 10/08, on medication - no hospitalizations)
Vertigo 2/04
(3 known episodes - last 1/10)

-Application-
Approved for 5 year BP
$3,000 MB, 90 Day EP

-Underwriting-
Decision
Dentist - Female age 45
Income - $140,000
Applying for 5 year BP, 90 day EP
$6,000 MB
& both Optional Benefits
Requirements: B & U, TIR & Tax Docs
Client Data
Ht/Wt = 5’6” 180
Female Problems since ‘05
-Underwriting-
Blood Profile & Urinalysis
(A1C=6.9, no Glucose in Urine)
(1LFT elevated slightly
-Lab Data-

Juvenile Diabetes since age 17
Slight Retinopathy of the Eyes
No Evidence of Neuropathy
(Labs in APS show A1C’s running 6.2 - 7.0 - last 4/10)
-Application-
Anxiety from Job/Marital stress – meds as needed since 10/07
Telephone Inspection Report
-Addl Underwriting-
Approved for 5 year BP
$6,000 MB, 90 day EP with both options, but with an exclusion for the Eyes

Decision
Assurity’s GBDI

Contractor - Male age 41
Income - $140,000
Applying for 5 year BP, 90 day EP
$4,000 MB & Non-Graded Injury
Duties - 50% Admin, 50% Carpentry
Requirements: Tax Docs
Client Data
Elevated Liver Function Tests
(1/09-on Labs 2 x normal)
(5/10- Labs less than 1 X normal)
(“no” evidence of Alcohol Abuse)

-Underwriting-

Neck & Cervical Back Problems
(No Herniation - Chiro, 1 x Mth)
Build - 5’ 10” / 285

-Application-

Sleep Apnea - (Sleep Study 7/06 “not” using C-pap machine)
Telephone Inspection Report

-Addl Underwriting-

Approved for 5 year BP
$4,000 MB, 90 day EP but
No Options and exclusion for Sleep Apnea

-Decision Card-

FOR AGENT USE ONLY.
Underwriting

- Your clients may have been previously declined
  - Once
  - Twice
  - ??

Our “Goal” in Underwriting Assurity’s GBDI is to handle the case expeditiously, swiftly and hopefully without “Reinventing the Wheel”
- Inquiries (synopsis form)
- APS’
  - Previously submitted many times accepted from carrier or broker
- Blood Profile and Urinalysis
- Inspections
- Telephone Clarification
  - For updating of specific medical concerns and to determine current health status
- Control and Compliance
Impaired Risk DI is a “Chevy” product at a “Cadillac” price.
Affordability can be a “BIG” issue

- 10 yr BP vs. 5 yr BP vs. 2 yr BP

- EP’s 90 day vs. 180 day

- Replacement Ratios
  - 70% at lower incomes to 55% at the higher incomes
**Insured:** Valued Client  
**Issue Age:** 48  
**Issue Class:** Non-Tobacco  
**Occupation Class:** 4A  

**Base Benefit Period:** 5 Years  
**Base Elimination Period:** 90 days  
**Premium Mode:** Monthly  

### Alternative Coverage Summary

**Premiums shown below assume:**
- Base Policy Non-Graded Monthly Benefit of $3800
- SDIGBR Non-Graded Monthly Benefit of $1200

**Monthly Premiums for Alternative Benefit/Elimination Periods**

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<th>EP</th>
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1975 Comedy movie about King Arthur’s search

Monty Python and the Holy Grail
Who is the Right Person for Assurity’s Graded Benefit Risk Disability Insurance?

- The hard-working diligent person who may be “uninsurable,” but who in reality is able to work full time, has been doing so for the past year without significant time off AND

- Who complies with his/her physician’s course of quality medical care.
Three Successful Plus Group Members

Their secret? – “Assurity’s GBDI program”
Trust
Close the Deal
Thank you