

Disability Income (DI) Summary

Why wouldn't you insure your most valuable asset, your ability to earn an income? While most financial services professionals have some Disability Insurance, the question is...**Do you have enough and the right kind of coverage?**

Financial Services Institute's (FSI) *CoveredAdvisor* Disability Income Program allows members to insure 75% of net business income, Guaranteed Issue (GI) or Modified Guaranteed Issue (MGI), to a maximum benefit of \$25,000 per month using a combination of:

- Guardian Group LTD
- Principal Individual Disability Income (IDI)
- Hanleigh Management/Lloyd's of London IDI

This first section is an overview of the different ways these products can be combined to provide FSI member advisors the most comprehensive, cost effective, Disability Income Program available, on a GI and MGI basis.

In the following section there are links to summaries of the details and definitions of the Guardian, Principal and Hanleigh/Lloyd's products and the GI/MGI offers.

Guardian Group LTD

The Guardian program has been designed specifically for Financial Advisors...it is not reduced by renewal income, fees, or income distributions from your practice while you are totally disabled and has Own Occupation protection the entire benefit period.

The strength of all Group LTD products is their low cost and high GI amounts.

- The size of FSI's membership allowed us to negotiate extremely competitive pricing compared to other Group LTD programs. Individual FSI membership is required to be eligible for the Group LTD program.
- You can insure up to 60% of your net business income to a maximum benefit of \$10,000 per month, on a GI basis.
- Unlike other Group LTD Programs, the FSI Program has been designed so you can choose a maximum benefit to meet your needs (\$2,500, \$5,000, \$7,500 or \$10,000). This allows you to design whatever combination of FSI Group LTD and Principal IDI that meets your needs, based on health, income, and premium.

Principal Life Disability Income

- You are not required to be a member of FSI, or to enroll in the Group LTD program, to take part in the Principal Offer. Your broker/dealer must be a key member firm in order for you to participate in the Principal Program. The fact you have received this offering means your BD is a key member firm and you can participate in the Principal Program.

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- If you do opt for both the Group LTD and the Principal IDI policy, you will be eligible to insure up to 75% of your net business income GI/MGI, to a maximum monthly benefit of \$15,000 per month, minus all inforce coverage. The maximum Principal MGI benefit is \$5,000 per month.

Example:

- ü Your net business income is \$10,000 per month.
- ü The total benefit you can purchase is \$7,500 per month (75% of your net business income).
- ü You can structure your GI/MGI benefit as follows:
 1. \$2,500 of Group LTD plus an additional \$5,000 of Principal
 2. \$5,000 of Group LTD plus an additional \$2,500 of Principal
 3. \$6,000 of Group LTD (the maximum LTD you qualify for at 60% of your net business income) plus an additional \$1,500 per month of Principal.
 4. In this example, the reason for choosing a lower Group LTD benefit cap than you qualify for based on your income, is to allow you to buy more Principal IDI. However, if you want the maximum Group LTD, you have the option of choosing the \$7,500 or \$10,000 Group LTD benefit cap. If you choose one of these higher benefit caps, as your income increases your Group LTD benefit can be increased by reporting your increased income to DSI, each year.
 5. If you have existing IDI coverage and choose to keep it, in this example, it would reduce the amount of Principal coverage you can buy.
- Principal benefits in excess of \$5,000 per month are available at the 25% premium discount, with proof of medical insurability.
- The Principal premiums are unisex rates and issued with a 25% premium discount. Since female rates are higher than male rates, this represents an average savings for female advisors of 40%.

A link to a summary of the Principal and Guardian policy definitions follows the Lloyd's of London section. The actual Principal policy definitions will be included with any Individual quotes you receive.

Hanleigh Management/Lloyd's of London

- Hanleigh Management is a correspondent for Lloyd's of London. This means Hanleigh underwrites, issues, services, and processes claims for Lloyd's of London coverage, written through their organization. We have negotiated the Lloyd's MGI program through Hanleigh and will refer to the "Hanleigh/Lloyd's" Program throughout this website.
- Hanleigh/Lloyd's insures 75% of net business income, minus inforce coverage (including Guardian's Group LTD and Principal's IDI coverage).
- The maximum monthly MGI benefit is \$10,000 per month.

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- Benefits in excess of \$10,000 per month are available with medical underwriting.

Example:

- Your net business income is \$30,000 per month
- $75\% \times \$30,000 = \$22,500$ (your maximum monthly benefit)
- You choose to enroll in the \$10,000 Group LTD Program plus \$5,000 Principal, MGI.
- Your options to insure the additional \$7,500 of coverage are:
 1. Apply for \$7,500 of Hanleigh/Lloyd's MGI coverage
 2. Apply for \$7,500 of medically underwritten Principal Coverage
- Advisors that qualify for more than \$25,000 per month of total benefit can apply for medically underwritten Hanleigh/Lloyd's coverage up to 75% of their net business income.

Summary of Policy Provisions and the GI/MGI Programs

- For details of the Principal and Guardian policies click "[Principal/Guardian Summary](#)"
- For details of the Lloyd's of London coverage, click "[Lloyd's of London Summary](#)"
- For the details of the terms of the GI and MGI, click "[What is Modified Guaranteed Issue?](#)"

For a personalized premium quote and a complete summary of the program offering (including policy definitions, details of the MGI qualification requirements and underwriting rules) click **[Request a Quote for Myself](#)** or call Disability Specialists, Inc. (DSI) at (888) 279-8348 (7:00 am – 4:00 pm Mountain Time).