

# GUARANTEED ISSUE HIGH LIMIT DISABILITY

*A Disability Financial Planning Tool*

A Plan for Supplemental Disability Insurance Beyond the Traditional Limits of Group LTD and Individual Disability Wraps



Now you can easily accommodate Excess high limits for group carve outs with available monthly benefits as high as **\$50,000 or more** in addition to their current coverage



**PETERSEN**  
International Underwriters  
*Lloyd's Coverholder*



## WHY GUARANTEED ISSUE HIGH LIMIT DISABILITY

Sound financial planning begins and ends with income planning. Proper income planning is impossible without adequate amounts of disability insurance.

Because there are a great deal of highly compensated employees who have been denied the ability to secure adequate and reasonable amounts of income replacement in the event they become disabled, we have designed the “Guaranteed Issue High Limit Disability Plan”. This plan is designed to be used once the traditional markets have maximized their issue and participation limits.

A business firm may indeed have a Group LTD plan in place for the employees of an entire firm. However, a typical LTD plan normally has limitations as to the maximum monthly benefit it will pay out. This cap on the monthly benefit is often too low to replace the proper amount of income for the well compensated employees of the firm. Additional pitfalls of LTD plans are that they do not always cover compensation other than W-2 income. So bonus income, commission income and K-1 income are often times left uninsured via a group LTD plan.

## ADVANTAGES OF A GUARANTEED ISSUE HIGH LIMIT DISABILITY PLAN

- Guaranteed Issue is offered without medical underwriting
- Policies are often discounted at rates not otherwise available
- Bonus income, commission income and other incentive income can be covered
- Policies are portable and can be individually owned

## TWO KINDS OF GUARANTEED ISSUE PLANS

Depending on the specifics of the case and the participation within that case, a Guaranteed Standard Issue has no medical underwriting and the policies are issued on a standard basis for every participant. If the group size is small and/or the participation is modest, then underwriters may consider offering a Guaranteed To Issue plan. Under the Guaranteed To Issue Plan a policy will be issued to each participant, but underwriters have the right to waive or rate specific medical conditions on the individuals enrolling.



## GUARANTEED ISSUE HIGH LIMIT DISABILITY

**Occupations Considered:** Most occupations are considered, but the most common include Executives, Physicians, Attorneys and Certified Public Accountants.

**Guaranteed Issue:** Coverage is offered to everyone in the group on a guaranteed basis without any exclusions other than the standard policy exclusions. This process requires only a verified census from the HR department and loss details for the prior 3 years.

**Issue Limits:** Varies based on the number of insureds and participation. Please contact our office for additional details.

**Participation Limit:** (participation with other coverage in force) Up to 65% if the employee pays the premium and up to 75% if the employer pays the premium.

**Policy Term:** Depending on the size and participation of the group, the policy term may range from 1 to 3 years. The policy term is the period of time the provisions and the rates are guaranteed.

**Monthly Benefit Periods:** 12, 24, 36, 48, and 60 months are available

**Optional Lump Sum Benefit:** A lump sum benefit up to a maximum of 5 times annual income can be dovetailed to follow the last monthly benefit. This provides an opportunity to annuitize the lump sum benefit to perpetuate a monthly benefit.

**Pre-Existing Conditions:** Pre-existing conditions are not covered until the policy has been in force for 12 months. A pre-existing condition is any condition for which medical advice was recommended for a period of 12 months immediately preceding the effective date.

## HIGHLIGHTS

- Own Occupation Definition
- Optional Residual Benefit Rider
- Optional COLA Rider
- Presumptive Disability
- Survivor Benefit
- Transplant Benefit
- Recurrent Disability
- Automatic Benefit Increases
- Waiver of Premium
- Rehabilitation Benefit