



Keys to Keeping DI Affordable

What would your clients do if they lost their income? Providing affordable disability insurance (DI) solutions is the key to ensuring your clients have coverage in the event that they are unable to work. Below are a few important keys to consider when trying to keep DI affordable for your clients.

The 2% Rule

In most cases, annual premiums should be kept between one and two percent of the insured's annual income to ensure affordability of the policy. *Some* DI coverage is always better than *none*. Make sure that your clients are able to cover their basic monthly expenses. Alleviating the concern about where the funds will come from to cover their mortgage, utilities and groceries (MUG) can go a long way when clients are unable to work due to a disability.

Reduce the Benefit Period

Most carriers see average claim periods ranging from one- to two-and-a-half years. Many policies offer benefit periods to ages 65, 67 and 70; one way to reduce your clients' DI premiums is to shorten the benefit period. A two- or five-year benefit period covers close to or more than an average DI claim, and offers a window to indicate if the claim will be lengthy.

Below is a list of options for reducing DI premiums while maintaining quality contracts for your clients. Choose the options that may meet the needs of your individual client. Submit this document to the Tellus DI Sales Desk to create a plan to keep your client's premium within two percent of his/her income.



Options for Reducing DI Premiums Form

- Reduce the benefit period to five years
- Reduce the residual option *(Principal and The Standard only)*
- Reduce the benefit amount *(Please do not reduce below the insured's basic monthly expenses)*
- Remove the Cost of Living Adjustment Rider (COLA)
- Remove Catastrophic, Future Purchase Option and/or other riders *(Dependent upon carrier availability)*
- Extend the elimination period
- Run a quote with a carrier offering products to the blue collar market *(If original quote was with Principal or The Standard)*



Contact the **GP Agency at 800.283.8376** for assistance in creating DI plan designs that meet the needs of your clients and fit within their budgets.

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