

# Assurity®

# Disability Income Insurance

## Seller's Guide





Assurity didn't get into the disability income insurance market; we helped build it. As a leader in the disability income insurance space, our expertise will help you streamline your workflow and close sales easier than ever before.

This guide will give you everything you need to target the right prospects, make connections and sell more.

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## Where we fit best

- ☑ 25- to 55-year-old working Americans
- ☑ Household incomes of \$35,000 to \$150,000
- ☑ Middle-income occupations like nurses, realtors, teachers and more
- ☑ May be single, but more likely have one or two dependents
- ☑ Post-fulltime education and pre-retirement

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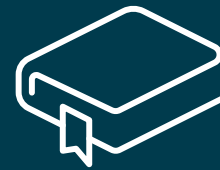
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# Words and phrases to know



Whether you primarily sell health or life insurance, your client depends on their income to pay their bills, including premiums. Disability income insurance is critical to keeping your client's financial life in balance.

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Here are a few basic terms to get you started.

### **Elimination Period**

The number of days one must be totally disabled before they become eligible for benefits—a longer elimination period lowers the cost of coverage, and vice versa

### **Benefit Period**

The maximum timeframe benefits are payable for a given period of total disability—a longer benefit period will result in a higher cost of coverage, and vice versa

### **Occupation Class**

A group of jobs with similar duties and risks that affect coverage and rates

### **Own Occupation Definition of Disability**

Assurity defines a total disability for the first two years of the benefit period as the inability to work at the insured's regular occupation at the time disability begins, even if the insured still might be able to work at another occupation

# Opportunities in today's market



Although just about everyone who relies on their income should protect it, certain target markets present even more opportunities for sales and referrals. Rather than doctors, lawyers and executives, think about disability income insurance prospects in the vast, underserved middle market. Look for people who work in jobs such as nurses, real estate agents, pharmacists, and electricians, with little to no manual work.

## Consider these facts:

# 7 in 10



working Americans couldn't make it a month without a paycheck before having financial difficulties.<sup>1</sup>

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# 34.6



months

is the average duration of a disability.<sup>2</sup>

# 67%



of people in the workforce have no long-term disability insurance.<sup>3</sup>

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**The need is real.** Individuals from all occupations are ready for disability insurance, and the right policy could save them from financial hardship. There's never been a better time to sell disability income insurance—this guide will show you how to tap previously unreached markets.

# Questions to ask your client



Your client may not think of their income as something they need to protect. Here are some questions you can ask to help them realize the need for income protection:

*How much income would you need to support your family if you could no longer work due to illness or accident?*

*How long could you go without a paycheck before it became difficult to pay your bills?*

*How would you afford to pay your mortgage or rent if your paycheck stopped?*

*What's the most important asset you have?*

*You insure your car and your home – why not your paycheck?*

## Assurity's Podcast: Tips from the Insurance Pros

Listen on the Assurity.com Agent Center, Spotify or Apple Podcasts. Hear producers and other experts share their advice for approaching clients.



# Features, facts, fact finder and prospects



Arming yourself with information during the sales process is key to your success. Today, most consumers conduct online research before meeting with you. Proving your product knowledge and personalizing each case to meet client needs shows your true value and helps to further gain their trust.

## Key Features: Assurity Century+ Disability Income Insurance

- Monthly benefit amounts: **from \$500 up to \$20,000**, depending on occupation class and income
- Issue ages: **18 to 60** (age nearest birthday)
- **No medical exam requirement** for clients age 18 to 50 for benefit amounts up to \$4,000, for qualifying applicants
- **No income verification requirement** for W-2 employees who aren't self-employed for benefit amounts up to \$4,000
- Two-Year Own Occupation definition: Pays monthly benefits during the first two years if your client can't work in their regular occupation, **even if they can work in another occupation**

## Optional Riders Enhance Coverage

- **Return of Premium Benefit Rider** allows a percentage of all premiums paid for the policy to be returned to your client upon policy lapse, cancellation or the client's death
- **Residual Disability Benefit Rider** pays a benefit after the elimination period has been satisfied if your client becomes unable to perform one or more (but not all) of the duties of their occupation and has a loss of income
- **Supplemental Disability Income Rider** pays a monthly benefit less any social insurance benefits received after the elimination period has been satisfied, giving your client the highest total benefit for the lowest cost



## Key Facts: The Growing Need for Income Protection

**66%** of all U.S. bankruptcies are tied to medical issues.

American Journal of Public Health Report, 2019

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**60%** of Americans don't have savings to cover an unexpected \$1,000 expense.

Bankrate's Financial Security Index, 2019

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**90%** of long-term disabilities result from illnesses rather than accidents.

Council for Disability Awareness, 2014

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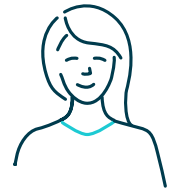
**33%** of Social Security Disability Insurance (SSDI) claimants had their applications approved from 2007 to 2016.

Council for Disability Awareness, The State of Disability Coverage in America, 2019

These facts can be useful information for you and your client. Posting them on social media and offering a way to solve this problem can help you prospect.

## Fact Finder: Sales Scenario

Illustrate the true value of disability income insurance with your client. Here's an example:



Stacy is 36, married and making about \$76,000 annually as a realtor.

**Stacy thought she was in great shape with her coverage.** But with monthly bills of about \$3,000, she and her husband wouldn't be able to stay afloat without her income.

## Disability Income Insurance Fact Finder

1. What are your three biggest expenses each month?

Mortgage or rent

\$1,950

Car payment

+ \$550

Student loans

+ \$350

Subtotal = \$2,850

2. What is your monthly salary?

\$6,333

3. Stacy's agent recommends that she covers 60 percent of her income.

x 0.6

Maximum monthly benefit

\$3,800

Monthly premium for maximum benefit

\$73.38

Mortgage protection only:

Total monthly benefit to cover mortgage

\$1,950

Total monthly premium to cover mortgage

\$32.45

Stacy has options when it comes to her coverage. Both offer her a hassle-free experience with no extra paperwork to verify her income or required medical exams, since her benefit amount is under \$4,000.

## Option 1: Comprehensive

For the first option, Stacy takes out an individual disability insurance plan with a **total monthly benefit of \$3,800, with a 5-year benefit period** and a **90-day elimination period**. To get more coverage for her dollar, she opts to include the **Supplemental Disability Income Rider (SDIR)**.\*

**\$73.38\***

for her Century+ Individual Disability Income Insurance policy with SDIR

## Option 2: Mortgage

Another approach would be for Stacy to buy a policy to cover her largest monthly bill – her mortgage. The policy would provide her a **total monthly benefit amount equal to her mortgage of \$1,950, with a 5-year benefit period** and a **90-day elimination period**.\*\*

**\$32.45\*\***

for her Century+ Individual Disability Income Insurance policy with SDIR



Assurity classifies realtors like Stacy as a 4A occupation class; **other carriers look at how long the realtor has been in business and how much money they're making.**

\* Illustration based on a 36-year-old female, non-tobacco, occupation class 4A, base monthly benefit of \$2,600 and SDIR monthly benefit of \$1,200, 5-year benefit period and a 90-day elimination period.

\*\* Illustration based on a 36-year-old female, non-tobacco, occupation class 4A, base monthly benefit of \$200 and SDIR monthly benefit of \$1,750, 5-year benefit period and a 90-day elimination period.

## Prospects - other occupations to target

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### Registered Nurse

Rebecca is 37 years old and earns \$60,000 as a registered nurse at a veterans hospital. She sees every day how much a disability can impact a person for years or even the rest of their life. She wants to be able to save for the future while paying off her \$250,000 mortgage.

As a federal employee, Rebecca qualifies for a maximum monthly benefit of \$2,855. She selects a policy with a 2-year benefit period and adds the Residual Disability Benefit Rider, which offers a portion of the monthly benefit amount if her capacity to work and income are reduced following disability, to optimize her coverage. Her total monthly premium is \$60.61.

Total Disability  
Monthly Benefit

**\$2,855**

90-day elimination period,  
2-year benefit period

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Total Monthly Premium

**\$60.61**

37-year-old female, non-tobacco,  
occupation class 3A with Residual  
Disability Income Rider

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## Accountant

Ned is a 46-year-old accountant making \$70,000 per year. He and his wife have built a good life for themselves and their children, and both have their sights set on retiring at age 65. As an expert at crunching the numbers, Ned knows a serious illness or injury would make that goal unreachable – and maybe even hurt his and his wife’s ability to save for their children’s college educations.

Ned is approved for a total monthly benefit of \$3,630. His policy, which has a 90-day elimination period and 5-year benefit period, costs \$78.03 per month.



Total Disability  
Monthly Benefit

**\$3,630**

90-day elimination period,  
5-year benefit period

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Total Monthly Premium

**\$78.03**

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46-year-old male, non-tobacco,  
occupation class 4A with  
\$2,430 base monthly benefit and  
\$1,200 Supplemental Disability Income  
Rider (SDIR) monthly benefit

## Prospects - other occupations to target

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### General Contractor

Drew is a 52-year-old general contractor with a business net income of \$100,000 per year. As a small business owner, he wants to protect the life he's built both at work and at home.

With Assurity, Drew qualifies for a Business Owner Upgrade up to occupation class 3A. He's approved for a total monthly benefit of \$2,800 with monthly premiums of \$76.22.



Total Disability  
Monthly Benefit

**\$2,800**

90-day elimination period,  
2-year benefit period

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Total Monthly Premium

**\$76.22**

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52-year-old male, non-tobacco,  
occupation class 3A



Offer your qualified small business owners access to **special benefits: multi-life discounts, one occupation class upgrade and increased coverage.**<sup>4</sup>

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## Electrician

Jamie is a 43-year-old electrician living in Topeka, Kansas with his wife and one child. He makes \$46,000 per year installing electrical systems in commercial buildings, and saves what he can for his child's education.

As an electrician, Jamie is part of occupation class 2A. He applies for and is approved for a \$2,000 monthly disability income benefit, including the Supplemental Disability Income Rider (SDIR), for a monthly premium of \$61.90. His policy includes a 60-day elimination period and a 2-year benefit period.



Total Disability  
Monthly Benefit

**\$2,000**

60-day elimination period,  
2-year benefit period

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Total Monthly Premium

**\$61.90**

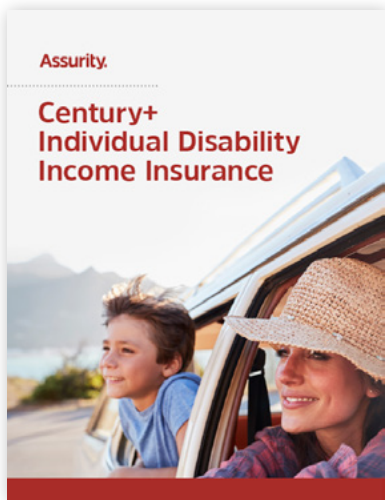
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43-year-old male, non-tobacco,  
occupation class 2A with  
\$900 base monthly benefit and  
\$1,100 Supplemental Disability Income  
Rider (SDIR) monthly benefit

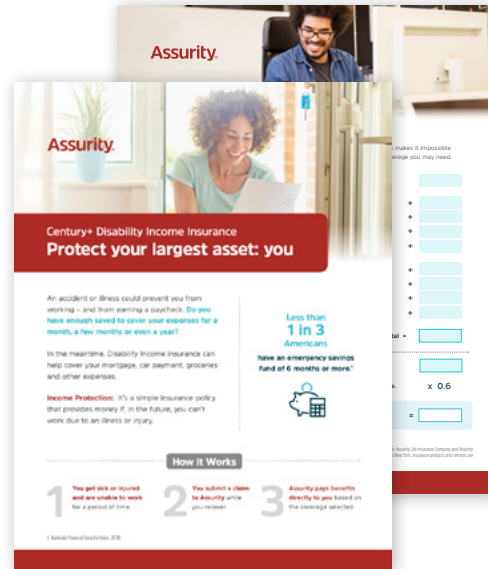
# Tools to help you sell



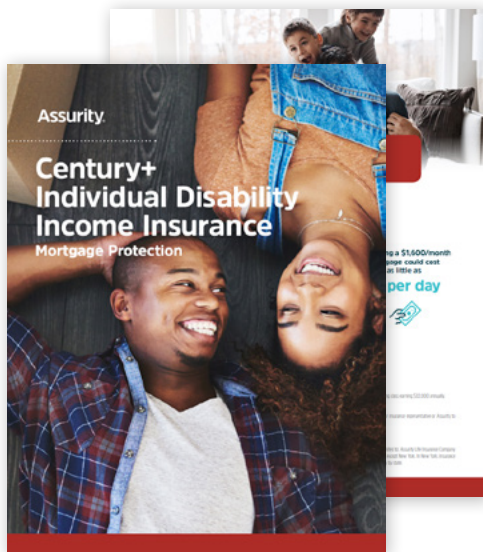
Educate your client about the need for disability income insurance.  
Get these tools and more at [assuritydi.com](https://assuritydi.com).



Overview brochure



Summary flyer & needs calculator



Mortgage protection brochure & flyer



Small business owner brochure & fact finder



## Use Our Quick Quoters

Show the need for protection in the palm of your hand. Assurity offers two unique disability income insurance quoters you can use to:

- ☑ Provide custom quotes for different needs—depending on whether your client wants income replacement or mortgage protection
- ☑ Educate your client and expand coverage with optional riders
- ☑ Save a quote and continue the conversation by emailing yourself and the client

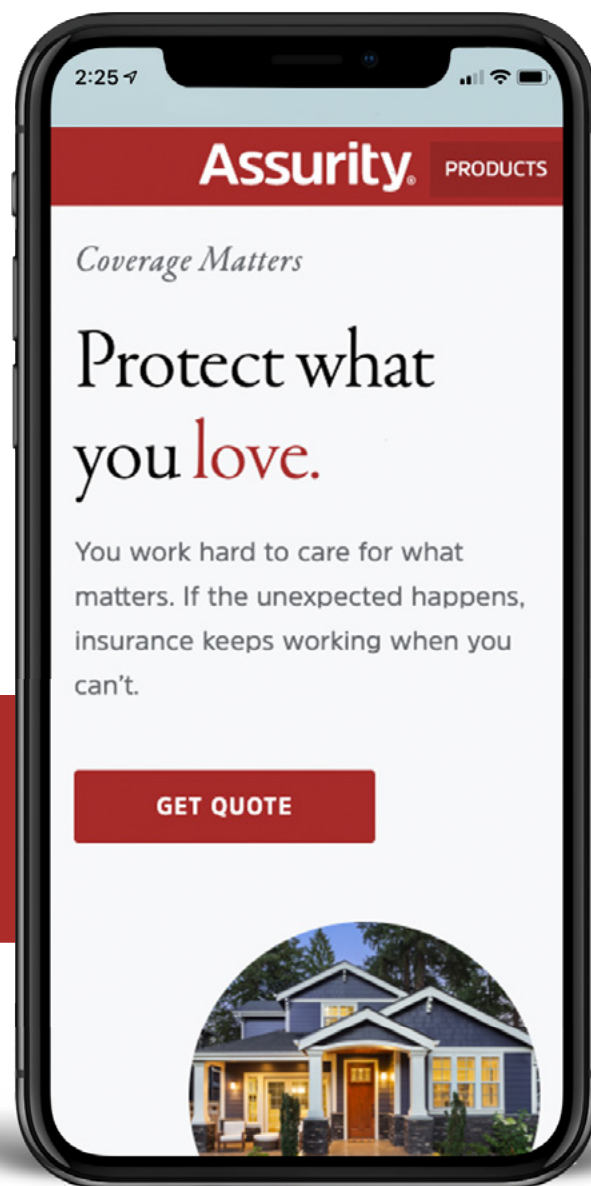
**Our full Disability Income Insurance Quoter** allows you and your client to take an in-depth look at their finances to customize their protection.

**Our disability income insurance Mortgage Quoter** saves you time and improves your prospecting by directly pulling your client's mortgage estimate from Zillow™.

**Start using the quoters today:**

[myquote.assurity.com/di](https://myquote.assurity.com/di)

[myquote.assurity.com/mortgage](https://myquote.assurity.com/mortgage)



# Understanding underwriting



All you need to understand disability insurance underwriting are three topics: occupation, income and medical history. We've made it easy for you to know what's going on and for your client to get the best possible coverage.



## 1. Occupation

Your client's monthly benefit amount and premium are based on their occupation class. We use their job duties, not just their title, to classify their occupation into one of four categories:

**Class 1A** includes occupations that involve heavy manual labor or work where there's an increased risk of accident.

**Examples:** *Construction laborer, custodian, exterminator, roofer, truck driver*

**Class 2A** includes skilled and manual occupations in lighter industries, as well as most machine operators.

**Examples:** *Carpenter, chef, electrician, farmer, landscaper, mechanic*

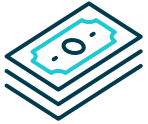
**Class 3A** includes professional or office-type occupations with certain activities or hazards involving laboratory, technical, supervisory and service work.

**Examples:** *Day care worker, graphic artist, physical therapist, hospital/surgical nurse*

**Class 4A** includes professional or office-type occupations that are rarely exposed to hazards.

**Examples:** *Accountant, architect, clinical nurse, pharmacist, real estate agent*

**Tip:** **Can't decide between two occupation classes?** Pick the lower class and make the sale – if they fit in a higher class, you get to go back and offer your client a lower rate than they originally saw.



## 2. Income/financial background

Disability income insurance covers a portion of lost income—typically 60 percent. That's why we may require financial documentation. If we need it, we'll ask for federal tax returns or other common forms of documentation.

**Tip:** **Make it easy!** Just complete one simple drop ticket form, and our in-house team will take it from there. Simply enter your client's information and we'll schedule an interview to complete the app over the phone.



## 3. Medical history

Medical history is a key part of underwriting, but don't worry if your client has a preexisting condition or injury. Our underwriting experts automatically offer impaired risk coverage or modifications to get them the policy that fits them best.

**Tip:** **You might be able to skip steps 2 and 3!** There's no income verification or automatic medical exam requirements for benefit amounts up to \$4,000 for clients aged 18 to 50.

# Tips for closing the sale



## Overcoming Objections

Many insurance professionals find a Q&A approach helpful when overcoming common objections to disability income insurance. You can help your client understand their need and the true value of the coverage by listening and asking questions.

### Objection:

*I don't think I'll use it.*

Ask the following questions to help your client realize **the need is real**.

1. You have medical insurance, do you ever plan to use it?
2. Did you know there's an optional rider\* you can buy that returns a portion of your premiums paid?
3. How would you feel if you needed disability income insurance but didn't have it?
4. Did you know illnesses cause most disability, not injuries?

**Objection:**

*It's too expensive.*

Ask the following questions to help your client realize **the policy's true worth**.

1. If an injury set back your career, would you still be able to achieve your long-term financial goals? Could you put your kids through college, save for retirement or keep up with existing debts?
2. You pay for insurance to protect your pets, luggage and cellphone – why not your income?
3. Why do you pay for medical insurance?
4. How expensive would it be to pay for your treatment and make up lost wages out of pocket?
5. Did you know this plan has an optional Return of Premium Rider\* you can use to get some of your money back?

**Objection:**

*I have disability income insurance through work.*

Ask the following questions to show your client **where their coverage falls short**.

1. Do you know the ins and outs of your group policy—for instance, the elimination and benefit periods?
2. Is your monthly benefit amount enough to cover your needs?
3. Are your benefits portable—that is, can you take the policy with you if you leave your job?
4. Do you know if your coverage applies outside of the workplace?

\* Return of Premium Rider can be added for an additional premium. Not available in all states.

## Tips for closing the sale

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### **Attach Value to Disability Income Benefits**

Talking about disability income insurance in terms of your client's mortgage can illustrate its importance, but it's not the only way to frame the sale. Attach value to disability income insurance by discussing with your client how they can use it to keep current on credit card, student loan or car payments.

**Help them understand disability income insurance offers them more than money:**

- Options and choices
- Control when they feel they have none



**Get started growing your sales today! Our team is ready to help and just a phone call away.**

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## **Tie It All Together**

### **Tell a story**

People connect to stories. So tell them about what may happen if they're unable to work. You may personally know someone whose life was changed by a disability—share their story. Tell them why you have a disability policy, and why it's important to you.

### **Share statistics**

Stats rarely sell insurance, but they can support the importance of why your client needs coverage. Figures on mortgage expenses, how long their savings can last and the costs of coverage are all valuable in helping to frame the discussion with your client.

### **Emphasize the need**

Losing their income could spiral into losing a whole lot more. Remind your client of the importance of protecting what they already have in case of an injury or illness. Show them how little protecting their mortgage could cost, and then show them the cost of having no protection in place.

### **Make it personal**

Ask your client what they'd do if they couldn't provide for their family or support their lifestyle anymore. Having a disability income insurance plan can give them peace of mind now and in the future.

### **Be confident**

When you're working with Assurity, you're working with a carrier that wrote its first disability policy in 1890. With our world-class expertise and mutual strength behind you, you can approach any sale with confidence.



## Why we're different.

### Mutual strength

For over 130 years, our financial strength has helped people support one another through difficult times.

### A force for good

As a Certified B Corporation, we work toward positive impacts for employees, communities and the environment.



### Personal service

Get the customer service you need from real, responsive and efficient people in our Lincoln, Nebraska headquarters.

### Customer Service

800-276-7619  
Ext. 4264

### Find out more

[assurity.com](https://www.assurity.com)

1. "What Do You Know About Disability Insurance" survey, Life Happens, 2018
2. Council for Disability Awareness, Chances of Disability, 2018
3. Social Security Administration Fact Sheet, June 2019
4. Multi-Life discount applies to 3 or more issued policies from the same employer/employee group at the same time. Availability may vary by state.
5. Less any Social Insurance benefits received
6. For certain ages and occupations

Assurity reserves the right to order, at the company's expense, evidence of insurability which the company feels is necessary for the prudent evaluation of the risk. This policy may contain reductions of benefits, limitations and exclusions.

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Policy Form Nos. I H0920, I H1617, A-D106 and Rider Form Nos. R I0921, R I0922, R I0923, R I1601, R I0925, R I1602, R I0927, R I0928, R I0929, and I R0721 underwritten by Assurity Life Insurance Company, Lincoln, NE.

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