

DI Retirement Security Product Overview

What is DI Retirement Security?

DI Retirement Security is a stand alone disability insurance policy that pays benefits to **replace lost retirement savings during periods of total disability**. It is available in addition to the maximum Disability Income coverage for which you are eligible. It can be purchased separately or in conjunction with a Disability Income policy.

Why do you need DI Retirement Security coverage?

Even if you have Group Long Term Disability, a quality Individual Disability Income policy, or a combination of both, you can only insure a maximum of 60% to 75% of your income. If you are totally disabled, how can you save for retirement when your income has been reduced 25% to 40%? If you are not self-employed, how do you replace lost employer contributions to your retirement plan(s)?

YOU CAN'T!

So, when your Disability Income benefits stop at age 65, your retirement savings will be inadequate to support you and your spouse for the rest of your lives.

The two tables below show the impact of total disability on retirement assets.

Table 1

This table shows how much you would accumulate in retirement assets by age 65, assuming you earn 7% on the invested funds and were saving **\$1,000 per month** in your retirement plan(s).

Age Retirement Contributions Start	Account Value at Age 65
60	\$71,593
55	\$173,085
50	\$316,962
45	\$520,927
40	\$810,072
35	\$1,219,971
30	\$1,801,055

This table also shows how much of your retirement assets would be **lost** if you were disabled from the ages shown above until age 65.

Even a short-term total disability can impact retirement savings.

While permanent total disability would certainly result in a catastrophic reduction in your retirement assets, even being totally disabled for **2 years** and then recovering can significantly impact your retirement assets.

The table below shows the impact of losing 2 years' retirement contributions per \$1,000 per month invested, assuming 7% earnings on the investments. We assume contributions began at age 30 and total disability occurred at the age indicated on the table.

Table 2

Age of Disability	Lost Retirement Assets at 65	% Retirement Assets Reduced
30	\$256,991	14.3%
35	\$181,283	10.1%
40	\$127,878	7.1%
45	\$90,207	5.0%
50	\$63,631	3.5%
55	\$44,885	2.5%

Having a quality DI Retirement Security policy is an inexpensive and easy way to protect your retirement contributions during periods of total disability.

How DI Retirement Security Benefits are paid.

Benefits from the DI Retirement Security Policy are payable into a grantor trust that is created at the time of claim. The trust is held by the Bankers Trust of Iowa until the end of the benefit period on your DI Retirement Security policy (age 65).

You have the option of investing the funds deposited into the trust into a variety of investment options, offered by Bankers Trust. You do NOT have to choose your investment options until there is a claim and benefits have been paid to the trust.

The DI Retirement Security Policy offers the following features:

- Your premiums are reduced by 20% and issued at unisex rates (same rates for men and women, resulting in an additional premium reduction of 25% to 33% for women). In addition, 20% of the first year commissions are payable to you by DSI if you are licensed as a life and health agent.
- Own Occupation and not working definition of total disability to age 65. If you are totally disabled from your occupation, it's your choice to work in another occupation, if you are able.
- The maximum benefit is 15% of income, not to exceed \$4,125 per month.
- Benefits begin paying after 180 or 365 days of total disability (your choice at the time of application).
- Benefits are payable to age 65.
- Benefits for Mental and Nervous disorders are payable to age 65.
- Coverage may be available on a **Modified Guarantee Issue (MGI) basis** (no paramed exams or blood tests, depending on age and the amount of coverage for which you apply, and a short form app with very limited medical questions). **For more details of the MGI Program**, close this document and then click the "*What is Modified*

Guaranteed Issue?" link, located under Additional pertinent articles and/or program information.

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