

Should I purchase Group Long Term Disability (Group LTD), Individual DI (IDI) or a Combination of Both?

Protecting your income is an important part of financial stability. With this in mind, the Financial Services Institute (FSI) has introduced a program that will allow you to insure up to 75% of your net business income using a combination of Group LTD and IDI.

Some of you may be thinking, "If I only want one, which one should I choose?" Well, the answer is "it depends."

While both products are designed to protect your income in the event of a disability, they each come with different features and there are costs associated with these features. DSI's advisors are available to explain how the different features work and help you through the decision making process. Below, are some of the most important features/definitions to evaluate when making a decision on how to protect your ability to earn an income.

Group LTD offers higher amounts of guaranteed issue, at a lower premium, compared to IDI. The FSI Guardian LTD program was crafted specifically to insure financial advisors. Some of the strengths of the Guardian Program are:

- Up to \$10,000 per month of Guaranteed Issue
- Very attractive and more stable pricing due to the size of FSI's membership and the integrated benefits with Principal.
- Own Occupation protection during the entire benefit period
- During periods of Total Disability your benefit will not be reduced by renewals or trailing income
- Allows you to collect benefits during a partial disability
- No Age restrictions to enroll in the program, as long as you are a member of FSI and working full time.

So, with this being such a high quality Group LTD product, why should you even think about supplementing with IDI?

This program, like all Group LTD policies, does contain limitations not found in IDI Products.

Here are some of the features in the Principal IDI Program that Group LTD does not have:

- The policy is Guaranteed Renewable and Non-cancelable. This means you own the policy and it cannot be changed, canceled or have an increase in premium unless you approve it. It is 100% portable, regardless of your occupation or membership status.
- Benefits are not reduced even if you are able to collect Social Security, Workers' Compensation, other coverage, etc.
- The policy cannot be changed by the carrier to offset benefits by renewals, fees, or income distributions from your business, while totally disabled.
- Mental/Nervous and Substance abuse claims pay the entire benefit period, except in California (limited to 2 years).
- You can choose to add riders offering additional benefits, with medical underwriting.

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A combination of Group LTD and IDI is the best solution for most advisors

By having a combination of Group LTD and IDI you are able to:

- Protect more of your income (75% vs 60%)
- Create a combination of benefits that:
 - has a premium you are comfortable paying (lower than all IDI)
 - allows you to buy more coverage Guaranteed Issue/Modified Guaranteed Issue (up to \$15,000 Guardian/Principal and \$25,000 with Hanleigh Management Inc., Lloyd's of London Correspondent)
 - Limits the risk of the non-guaranteed benefits to only a portion of your coverage because you can choose what percentage of your coverage is Group.
- The Flexibility to custom fit your protection to your individual needs by using different combinations of Group LTD and IDI.
 - The Principal IDI coverage has a minimum benefit of \$1,000 and a maximum benefit of \$20,000.
 - The Group LTD offers 4 different monthly benefit maximums to choose from: \$2,500, \$5,000, \$7,500 and \$10,000.
 - Hanleigh/Lloyd's of London will insure 75% of your net business income, minus inforce coverage, with no maximum benefit.

To speak with a DSI advisor about how to design a disability program that meets your specific needs, call Disability Specialists, Inc. (DSI) at (888) 279-8348 (7:00 am – 4:00 pm Mountain Time) and identify yourself as an FSI advisor member. If you'd prefer to order quotes online, click [Request a Quote for Myself](#).