

# Insuring Divorce Settlement and Child Support Payments Against Disability

## Medical and Financial Requirements to Qualify for Coverage

The only financial requirement to obtain coverage is the Payor must be working full-time (30 hours a week) and a copy of the divorce decree must be submitted with the application for coverage. The policy will be written to conform as closely as possible to the terms of the divorce decree.

### Modified Guaranteed Issue (MGI) Offer

DSI has a proprietary arrangement with Hanleigh Management Inc., Lloyd's of London Correspondent, offering up to \$1,000,000 of total coverage Modified Guaranteed Issue (MGI), if the insured is under age 65. MGI is available to all white collar occupations. Blue and grey collar occupations **may** also be eligible for MGI.

The total benefit is calculated by multiplying the monthly benefit times the total number of months payable at the time the policy was issued and adding the lump sum benefit.

Example:

- The policy is issued with a \$5,000 monthly benefit payable for 60 months, followed by a lump sum payment of \$250,000.
- \$5,000 monthly benefit × 60 month payout = \$300,000.
- Lump sum benefit is \$250,000.
- Total benefit under this policy is \$550,000.

Total benefits in excess of \$1,000,000 and insureds age 65 to 69 are medically underwritten. If the insured has medical issues the policy can exclude those conditions from coverage or the carrier may refuse to issue coverage.

If you have a client with medical history discuss it with a DSI representative before you complete the application, to make sure we can offer coverage.

### MGI Qualification Requirements

If you are under age 65, the coverage is offered on an MGI basis. If you are age 65 through age 69, coverage is available with medical underwriting.

If you can answer the following questions “no,” you qualify for up to \$1,000,000 of disability coverage at the discounted rates.

- Have you missed 3 consecutive days of work in the past 6 months?

**Hanleigh**

  
**DISABILITY SPECIALISTS**  
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- Are you currently partially disabled or have you been partially disabled in the past 6 months for 3 consecutive days (partially disabled is defined as “your ability to work is or has been restricted”)?
- Have you been hospitalized in the last 6 months and/or are you home bound?
- Are you currently receiving disability income benefits or have you received disability income benefits in the past 6 months?
- Have you been treated for or diagnosed with any of the following conditions: HIV, Stroke, MS, Diabetes, Heart or circulatory disease, Parkinson’s disease, Neurological Disease, Cancer, and/or a condition that could lead to blindness or a condition that could lead to the loss of function of a hand or limb.

At the end of the application (questions 13 and 14) there are two more medical questions

13. For the period of time commencing 180 days prior to the date of this application:

- a) are you now and have you been continuously at work on a full-time basis in the usual and customary manner performing all of the duties of your occupation?
- b) have you been homebound or hospitalized due to an accident or sickness?

14. Have you ever qualified for disability benefits or met the definition of disability under ta current or prior disability policy?

Answering yes to one of these questions does NOT mean the policy will not be issued, even if you have a significant medical issue. Underwriting will evaluate your medical condition and determine:

1. If you still qualify for the discounted rates and 5 year renewable policy
2. If you qualify for coverage at higher rates and/or with a waiver for a specific condition
3. If your policy is renewable in 1 or 3 years, rather than 5 years
4. If you are a decline for coverage

**Even if you have one of the medical conditions listed above, a policy may be issued.**

*DSI is not engaged in the practice of law. This summary is not intended to be nor should be construed as legal or tax advice. You should consult with the appropriate legal or tax professional regarding all legal and tax questions. To the best of our knowledge, this summary is based upon the most recent information available to us at the time of the creation of this summary. It is not intended to be complete or compare all contract provisions, and does not reflect contract language, which may vary between carriers. Provisions and availability of certain policy benefits and riders may vary by state. Refer to actual insurance policies for additional information.*

*To the best of our knowledge, this summary illustrates how the insurance company administers the portion of definitions described. The actual definitions written in the contracts issued by the carrier will determine how benefits are actually paid. The definitions and carrier interpretations take precedence over any representations made in this proposal.*