

UNDERWRITING – HOW DI DIFFERS FROM LIFE

Many applicants who qualify for life insurance are also excellent candidates for individual disability income insurance (DI). However, sometimes there may be important differences in the underwriting process. Understanding those differences can make it easier to communicate the complexities of the Disability Underwriting process and allow you to better manage your client's expectations. The information below may help clients better understand the DI Underwriting process.

MEDICAL CONDITIONS

Many medical conditions are more likely to cause a disability than will result in death. Consequently DI underwriting may need to obtain medical records on disorders that Life may not be as concerned about.*

DI ASSESSMENT OF RISK

Disability benefits are paid to living insureds whose medical conditions and associated restrictions and limitations may change over time, presenting degrees of risk that sometimes can be very different from that of a death benefit paid in a life insurance claim.

YOUR CLIENT'S OCCUPATION

DI is tied to an insured's occupation and ability to perform associated duties. As a result, DI underwriting will usually require more detailed and specific occupational information.

INCOME DOCUMENTATION

Since DI benefits are tied more directly to a client's income, in many cases DI underwriting may need to obtain income verification in situations where Life Underwriting may not.

DISABILITY BENEFITS CAN BE SUBSTANTIAL

Long term disability claims can result in benefits being paid for years, if not for decades. So while the monthly benefit provided by a DI policy is lower in comparison to a life insurance death benefit, the aggregate benefit paid out over the entirety of the claim can reach into the millions of dollars similar to death benefits provided in many Life policies.



The Guardian Life Insurance
Company of America
7 Hanover Square
New York, NY 10004-4025
www.guardianlife.com

* Comparison assumes Life underwriting of death benefits only without any waiver of premium or Long Term Care rider.

Disability income products underwritten and issued by Berkshire Life Insurance Company of America, Pittsfield, MA, a wholly owned stock subsidiary of The Guardian Life Insurance Company of America, New York, NY. Product provisions and availability may vary by state. Pub6998BL (06/17) 2017-41565 (Exp. 06/19)

For Producer use only. Not for use with the general public.