



**HOW TO MAKE  
TOUGH DI CASES  
EASY**



Impaired  
Disability  
Underwriters



## Nonstandard Disability Insurance Using a Term Disability Product

Many people recognize the importance of protecting their income, and it seems as the economy is rebounding, the amount of clients pursuing disability insurance is increasing. This is great news for brokers and disability insurance carriers. Unfortunately, the underwriting process for standard disability insurance is cumbersome and very restrictive, resulting in a high amount of clients being declined for standard disability insurance.

### Problems Prospects Face

- » Decline by underwriters
- » Coverage offered, but with much lower benefit amount
- » Coverage offered, but with many exclusions (appears to be overpriced accident-only coverage)
- » Cannot obtain coverage because cumulative allowable benefit is capped out



### Pre-Sell Challenging Cases

Dealing with 5-15% declines or “impaired cases” can be frustrating if you limit yourself to the standard market. It is important to have a safety net to salvage those cases and likewise to have the tools to close them quickly while maintaining customer satisfaction. First, know your options. Then, take advantage of the situation to position yourself as an expert by making your clients who feel they have a chance of being declined aware of nonstandard disability policies available should their standard application be declined.

This upfront approach will alleviate or minimize the disappointment a client may feel if he or she is declined. Then, it will make a nonstandard disability policy more approachable for both you and your client — and therefore make the sales process easier.

### Nonstandard / Impaired Disability Coverage Options

**GUARANTEED RENEWABLE PRODUCT**

(underwritten once, level premiums)

**OR**

**TERM PRODUCT**

(underwritten at each policy renewal date)

Impaired  
Disability  
Underwriters  
offers both  
solutions



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## How to Pre-Sell

Let your client know you have access to specialized underwriters capable of providing coverage for cases declined by standard carriers.

## Why Offer Term Products

There are several products available to sell to a client who is declined in the standard market, including term disability products. Many brokers are not familiar with term disability and choose not to offer it to their clients; however, as traditional nonstandard disability products are higher in cost, prospects should be offered a low-cost alternative when deciding which product best fits both their financial and their disability insurance needs.

Term disability products exist to cover many situations you may encounter with your clients. One is that they simply cannot afford a traditional guaranteed renewable nonstandard disability product.

If a second exported term option is not offered, both you and your prospect walk away empty-handed. Remember to always attempt to present and sell a second lower-priced option for an applicant who has been declined in the standard market.

Secondly, there are clients who are postponed in the standard disability market for a few years due to certain medical conditions. The term product is an excellent solution for this situation, as it can be offered for the amount of years your client is postponed, in most cases 2 to 5 years, which allows the premium to be even lower. Your client can then transition into the standard market at that time.

### Term Product Options

- » Benefit Amount up to \$15,000 per month (more with underwriting consideration)
- » Benefit Periods of 1, 2, 3, 4 or 5 years
- » Policy durations of 1, 2, 3 or 5 years
- » Elimination periods of 90, 120, 180, 210, 365, 720 days
- » Occupation definition of "true own occ."
- » Options of graded policies
- » Residual Disability and Lump sum options





Impaired  
Disability  
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## Where to Find Experts on Underwriting Impaired Risk

The term product offered by Impaired Disability Underwriters is based on a Lloyd's policy and has underwriters with expertise and focus only on impaired disability for more than 25 years. It is important to know that this expertise often translates into flexibility in coverage design for tough cases, meaning the products can be tailored to the specific needs of your client. Each case is treated individually and differently since the medical background and the underlying medical conditions are always different from case to case. This is how the underwriters tailor coverage for clients who are otherwise uninsurable in the standard disability market.

Become an advocate for your clients with expertise on term products for impaired risk.



### Step 1: Start the conversation with expert Impaired Disability Underwriters

#### Describe insured:

Age / Gender / Height & Weight / DI in force / Income / State / Occupation

#### List:

- a) Reasons for decline
- b) Medical conditions
- c) Diagnosis (with relevant dates)
- d) Treatments & surgeries (with relevant dates)
- e) Medication

#### Send to:

[prelims@IDUinc.com](mailto:prelims@IDUinc.com)



### Step 2: Get results and increase your sales!

Declines and neglected cases can represent significant revenue leakage for your business. Having an underwriting organization such as IDU that can handle those cases not only increases your sales, but also increases your efficiency since all the prospecting and sales costs are recouped.



[www.IDUinc.com](http://www.IDUinc.com)