



Success story | Individual disability income insurance

Education, expertise, and ease all played a role in multi-life DI case.



Learn how a broker worked with the Principal® group and disability sales teams to educate a business client on how their group disability coverage cap created income replacement gaps for key employees. Offering our Guaranteed Standard Issue (GSI) individual disability income (DI) insurance for greater income replacement and providing the simplicity of our multi-life census enrollment played a key role in closing the sale.

Background

The broker was with a large Seattle firm that has a long-time relationship with Principal. The client was a biotech firm looking to add individual DI insurance for its key employees on top of group disability insurance already being provided through another carrier. When the broker contacted the Principal group sales representative about disability coverage, they recognized the need for key person coverage and brought in our disability sales team for consultation. It was important to the client to provide additional income replacement beyond the group long-term disability (LTD) coverage of 60%—particularly when there was a benefit cap of \$12,000 per month that would leave their highly compensated employees with a salary gap significantly more than 40%.

Solution

GSI DI insurance was presented for 18 high-earning key employees using our multi-life census enrollment. The broker and client were pleased to learn Principal needed just one signature from the company owner on the master policy to issue the insurance—no individual employee signatures were required. The client had experienced challenges previously with census enrollment of their medical benefits but agreed to try the process from Principal. By taking a closer look at their group LTD coverage for executives when a cap is involved—plus hearing about our census enrollment capability—they decided to add the DI coverage from Principal.

Result

The final census included 24 policies with \$72,000 in premium, as they found more key employees impacted by the benefit cap. Per the disability sales team recommendation, the client also decided to add the Catastrophic Disability rider to each policy so in the event of a catastrophic disability, insureds will have up to 100% of their income replaced versus around 70% with combined group LTD and DI insurance.

Future opportunity

When the client's renewal comes up for their group LTD coverage, Principal may have an opportunity to consolidate their group coverage due to the positive experience they had with adding DI insurance.

Sales tips

Look for companies with five or more highly compensated employees. Employers typically work with two carriers—one for medical insurance and one for ancillary benefits (dental, individual DI, group disability, life, etc.). When talking about layering with individual income protection, illustrate the group LTD cap and how adding GSI DI insurance allows for greater income replacement and helps the company recruit and retain top talent. Then offer added value by promoting our easy single-signature census enrollment.

It's as simple as:

Education. Know the client's existing group coverage amounts and limits.

Expertise. Show the group LTD gap and how individual DI insurance can help fill the gap.

Ease. Offer our one-signature census enrollment.

Resources

- Guaranteed Standard Issue (GSI) eEnrollment producer flyer (JJ2326)
- GSI enrollment steps for employers (JJ2332)



Let's connect

Call the National Sales Desk at 800-654-4278, option 2, 2.



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