

Disability Insurance Audit

Diversified Brokerage Specialists

“Disability Insurance Specialists since 1946!”

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THE PLUS GROUP
America's Premier Disability Marketing Organization

Introduction

The Disability Insurance market is ever changing. In 2010 vast changes and improvements have taken place allowing consumers to purchase far more quality disability insurance than ever before.

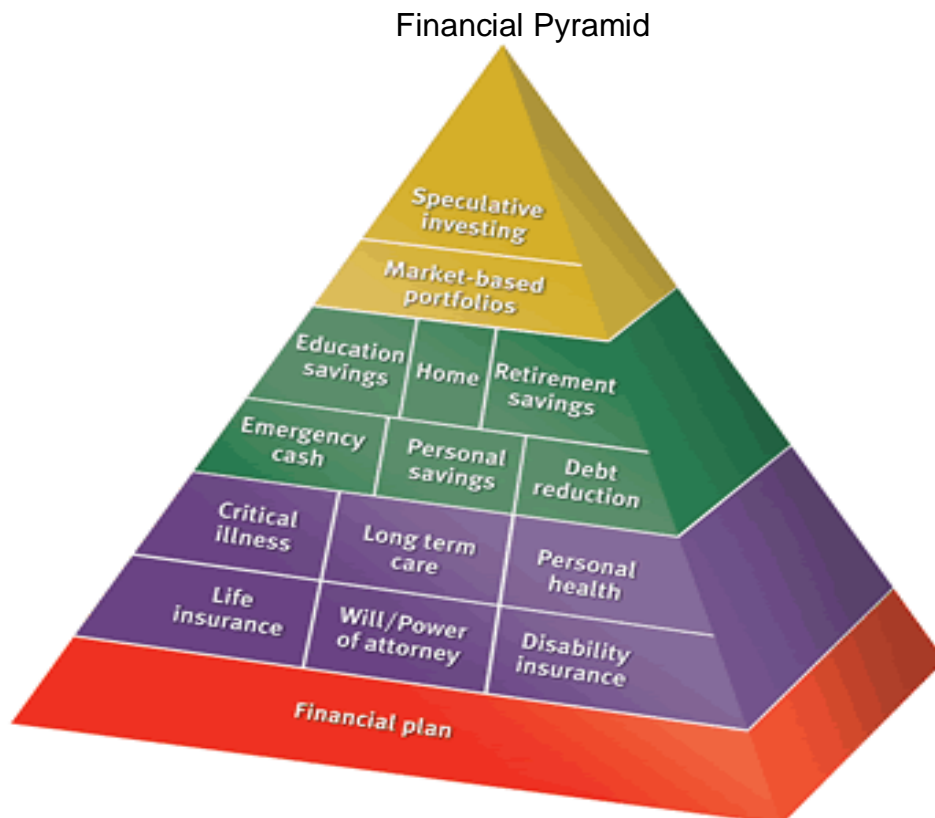
For this reason it is imperative that any Business owner, Executive or Professional perform a Disability Insurance Audit!

Disability planning is a critical component of any financial plan. As the Financial Pyramid shows, disability insurance is the foundation of a solid financial plan.

Our most valuable asset is our ability to earn an income! Our spouse and children and their future all rely on our ability to earn an income. If our ability to earn an income stops then we can lose everything we own. Studies have also shown that the financial fall out of a disability in many cases leads to divorce and the loss of the family unit.

Please take the time to perform a disability insurance audit and make sure that you and your family are protected in the event that you suffer a disabling accident or illness. Long Term Care insurance is another very important retirement planning consideration.

Simply complete the attached checklist and confidential form and we will design a disability income protection plan that will provide protection and peace of mind for you and your family. We will shop the disability insurance market for the most cost effective solution to your disability insurance and/or long term care insurance needs.



The Council for Disability Awareness



Disability Facts You Should Know:

Disability statistics

The problem is more widespread than you'd imagine.

- In just the past hour, almost 3,000 Americans became disabled. That's 49 every minute.ⁱ
- Over 51 million Americans – 18% of the population – are classified as disabled.ⁱⁱ
- Every :01 second another disabling injury occurs in the US. Every four minutes the injury is fatal.ⁱ
- Almost one-third of Americans entering the work force today (3 in 10) will become disabled before they retire.ⁱⁱⁱ
- Nearly 7 million workers currently receive Social Security Disability benefits. Almost half are under age 50.

Disability causes severe financial hardship

How long could *you* afford to be without a paycheck?

- 350,000 personal bankruptcies every year are blamed on injuries and unexpected illnesses.^{iv}
- A new Harvard University report reveals that 62 percent of all personal bankruptcies filed in the U.S. in 2007 were due to an inability to pay for medical expenses.^v

Disability prevents people from earning a living

- Accident or illness will force 1 in 5 U.S. employees to miss work for at least a year before they turn 65.^{vi}
- One in 7 of us can expect to be disabled for more than five years.^{vii}
- The average long-term disability absence lasts 2 ½ years.^{viii}

Few American workers are financially prepared

- Do you spend more than you earn? 44% of U.S. families do.^{ix}
- Do you have private pension coverage? Most of us – over 50% – don't.
- Retirement savings? One-third of us have none.^x And only 40% of adult Americans have savings earmarked for emergencies.^{xi}
- 71% of American employees live from paycheck to paycheck,^{xii} without enough savings to cushion the financial blow.

- 38% of working Americans, according to CDA proprietary research (March, 2010), say they could only pay their normal living expenses for **3 months or less** if their employment income was lost. 65% could not even cover living expenses for a year.

Think Social Security or Workers' Comp will cover it?

Think again.

- Can your family live on \$1004 a month? That's the average monthly benefit paid by Social Security Disability Insurance (SSDI).^{xiii}
- More claims are denied than approved.
- More than half of the 2.1 million workers who applied for SSDI benefits in 2005 were denied. Less than half – 39% – were approved.^{xiv}
- Only a small fraction – 10% – of disabling accidents and illnesses are work related. The other 90% are not, meaning Workers Compensation doesn't cover them.^{xv}

Most American workers are not covered by disability insurance:

- Over 100 million workers are without private disability income insurance.^{xvi}
- 70% of workers in the private sector have no long-term disability insurance.^{xvii}

Working Americans underestimate their risk of disability:

- CDA proprietary research (March, 2010) reveals that 64% of wage earners believe they have a 2% or less chance of being disabled for 3 months or more during their working career. The actual odds are about 30%.

ⁱ National Safety Council, Injury Facts 2008 Ed.

ⁱⁱ US Census Bureau, Nov 2008

ⁱⁱⁱ Social Security Administration, Fact Sheet Jan 31, 2007

^{iv} "Illness and Injury as Contributors to Bankruptcy," Health Affairs, Feb 2, 2005

^v The American Journal of Medicine, June 4, 2009

^{vi} Life and Health Insurance Foundation for Education, Nov 2005

^{vii} Commissioners Disability Table, 1998, Health Insurance Association of America, NY Times, Feb 2000

^{viii} Commissioner's Individual Disability Table A

^{ix} Federal Reserve Board, Survey of Consumer Finances 2004

^x Social Security Administration, Fact Sheet 2007

^{xi} Consumer Federation of America national survey by Opinion Research Corp., Feb 2007

^{xii} American Payroll Association, "Getting Paid in America" Survey, 2008

^{xiii} Social Security Administration, Fact Sheet 2008

^{xiv} Social Security Administration, Office of Disability and Income Security Programs

^{xv} National Safety Council, Injury Facts 2008 Ed.

^{xvi} Council for Disability Awareness, Long Term Disability Claims Review, 2005

^{xvii} Social Security Administration, Fact Sheet Jan 31, 2007

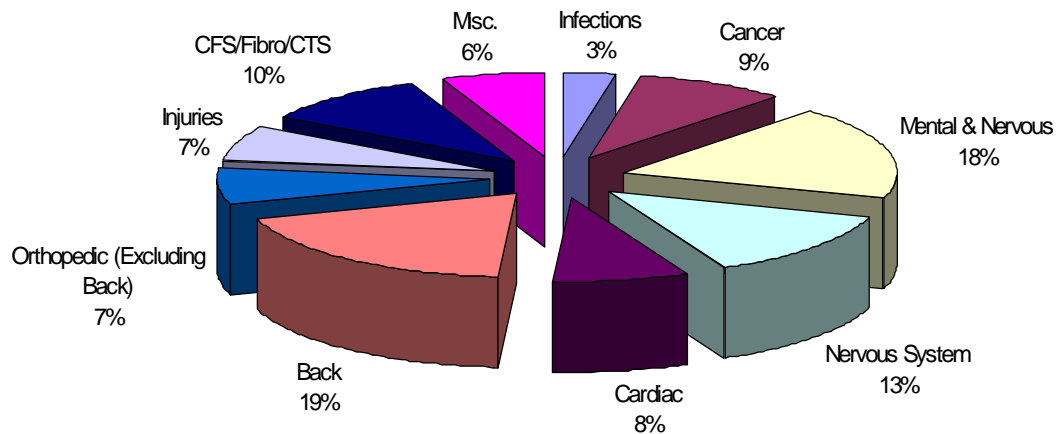
Visit the CDA Web site for more information www.disabilitycanhappen.org

Disability Plays No Favorites...

But with Disability Income Insurance from Principal Life Insurance Company, you can feel secure in knowing that you're protecting your most valuable asset -- your ability to work and earn an income. Avoid the financial strain even a short-term disability can cause when you're too sick or hurt to work.

The causes of disability may surprise you! Here's a breakdown (by percentage of claims) of some typical reasons an individual may become disabled:

Incurred Any Year As For 2003



Sample disability claims

Adjusted Disability Insurance claims as of March 15, 2004

OCCUPATION	AGE	DIAGNOSIS	TOTAL PAID
Attorney	37	Multiple Sclerosis	\$122,500.00
Attorney	44	Breast Cancer	\$21,652.98
Attorney	46	HIV	\$301,575.66
Attorney	59	Parkinson's Disease	\$151,100.00
Computer Consultant	29	Organic Brain Disorder	\$54,730.00
Computer Consultant	36	Rheumatoid Arthritis	\$191,636.17
Computer Consultant	39	HIV	\$305,492.31
Computer Consultant	41	Bone Disease	\$50,933.33
Corporate Executive	40	Heart	\$198,600.00
Corporate Executive	47	Lyme Disease	\$399,600.00
Corporate Executive	57	Emphysema	\$720,000.00
Corporate Executive	57	Rheumatoid Arthritis	\$33,308.00
CPA	39	Lupus	\$21,881.60
CPA	45	Heart Disease	\$135,300.00
Dentist	36	Spinal Cord Injury	\$550,000.00
Dentist	41	Multiple Sclerosis	\$1,086,144.89
Dentist	46	Carpal Tunnel Syndrome	\$50,685.00
Dentist	53	Blood Clot	\$760,885.38
Physician	35	Nerve Disorder	\$1,212,800.00
Physician	49	Back	\$688,860.71
Physician	35	Hearing Loss	\$509,365.34
Physician	58	Myeloid Leukemia	\$161,373.33
Nurse	36	Ovarian Cancer	\$163,698.91
Nurse	41	Nerve Disorder	\$627,500.00
Nurse	45	Back	\$28,466.68
Nurse	58	Stroke	\$44,533.33
Business Owner	44	Liver Disease	\$1,590,527.60
Business Owner	45	Brain Tumor	\$18,105.00
Business Owner	52	Head Injury	\$140,250.00
Business Owner	54	Hip and Thigh Injury	\$116,074.34
Business Owner	55	Blind	\$222,800.00
Pharmacist	29	Back	\$68,100.80
Pharmacist	47	Osteoarthritis	\$237,649.65
Psychiatrist	58	Cancer	\$50,366.47
Psychiatrist	47	Multiple Sclerosis	\$182,421.28
Psychiatrist	60	Parkinson's Disease	\$34,000.00
Physical Therapist	38	Heart Attack	\$282,118.96
Physical Therapist	46	Epilepsy	\$487,266.84
Veterinarian	37	Cancer	\$46,655.00
	43	Back	\$332,218.00

The above is for illustration purposes only and is not intended as an inclusive representation of all claims.

Get the final piece of the puzzle to close more disability insurance business AND create a steady flow of high-net-worth life clients. **Contact DBS at 800-621-6161** to get access to our Confidential Disability Income Questionnaire and Checklist and learn how we can help you launch this additional revenue stream in your business.

Disability Income Insurance has certain limitations and exclusions. For costs and complete details of coverage, contact your Principal Life financial representative.

Principal Life Insurance Company, Des Moines, IA 50392
Policy forms HH641/HH700/HH750
DI1024 - 08/05 Approval # 468162007

