2026 SUPPLEMENTAL HEALTH, DI AND LTC CONFERENCE

Navigating Change

Individual Versus Group DI Underwriting: Choosing the Right Path to Growth

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Dave Steinbrunner, ASA, MAAA

Director, Assistant Actuary
Product Development, Disability Income

Ameritas Life Insurance Corp.

Scott Tracey, MBA, CLU FLMI, DIA RHU

Head DI Underwriter, DI Risk Management and Governance

Mass Mutual

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Group Insurance vs. Individual Disability

- ***Group Insurance*** = Employer is policyholder, typically insuring all employees, various classes of risk (white vs, blue collar), short rate guarantees, etc.

- ***Individual disability policies*** = individual is policyholder, typically non-can, portable, etc.

- ***Guaranteed Standard Issue (GSI)*** = if approved, issue a disability income policy without a rating or exclusion; same plan design for all those in the eligible class

Fully Underwritten Disability Income

Gold standard for income protection—best suited for clients seeking maximum benefit levels, contract strength, and long-term coverage security.

Fully Underwritten DI is an individually issued disability insurance policy where:

- The applicant undergoes full medical and financial underwriting
- Coverage, pricing, and features are customized to the individual risk profile
- Policies may be issued standard or with modifications (ratings, exclusions, or benefit adjustments) based on underwriting findings

PROS:

- **Strongest contract protection**: True own-occupation definitions and robust rider options
- **Higher income protection**: Benefit levels tailored to income, not capped to program limits
- **Portable coverage**: Remains in force regardless of employer changes
- **Premium stability**: Non-cancelable / guaranteed renewable options limit future rate increases
- **Stronger claims position**: Individually owned contract with broader legal protections

Fully Underwritten Disability Income

CONS:

- **Full underwriting required**: Medical exams, records (APS), and financial documentation
- **Longer placement timeline**: Additional underwriting steps extend time to issue
- **Potential modifications**: May result in exclusions, ratings, or limited benefits
- **Higher upfront cost to underwrite**: Reflects richer benefits and individualized risk assessment

Where Fully Underwritten Fits in Group Context:

- Employer groups (multi-life) where discount may apply
- Association programs
- Modified Guaranteed Issue
- Modified Guaranteed Acceptance

Group Long Term Disability

Practical Use

Convenient way for employers to Insure large number of lives at a lower cost

Pros:

- No individual applications to complete
- Single policyholder = employer
- Employer paid premiums are often tax-deductible

Cons:

- Not portable
- Limited income replacement
- Taxable benefits if employer paid
- Limited coverage relative to individual disability plans

GSI with an Application

Practical Use

- Supplement Group LTD coverage
- Non-census-enroll, employer paid coverage
- Voluntary GSI
- GME GSI

Pros:

- Can contest since each applicant completes application with signature
- Can assess risk of each individual based on limited number of risk questions
- Minimize over-insurance risk
- 90-day actively-at-work

Cons:

- Collecting all required applications
- Time period from underwriting approval to policy issue

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GSI without Application

Practical Use

- Supplement Group LTD coverage
- Census-enroll, employer paid coverage

Pros:

- Issue policies quicker using employer census information only

Cons:

- Cannot contest since no application with signature
- Unable to assess risk of each individual using limited number of risk questions
- Potential over-insurance
- Easy to churn employer pay GSI business
- One day actively-at-work

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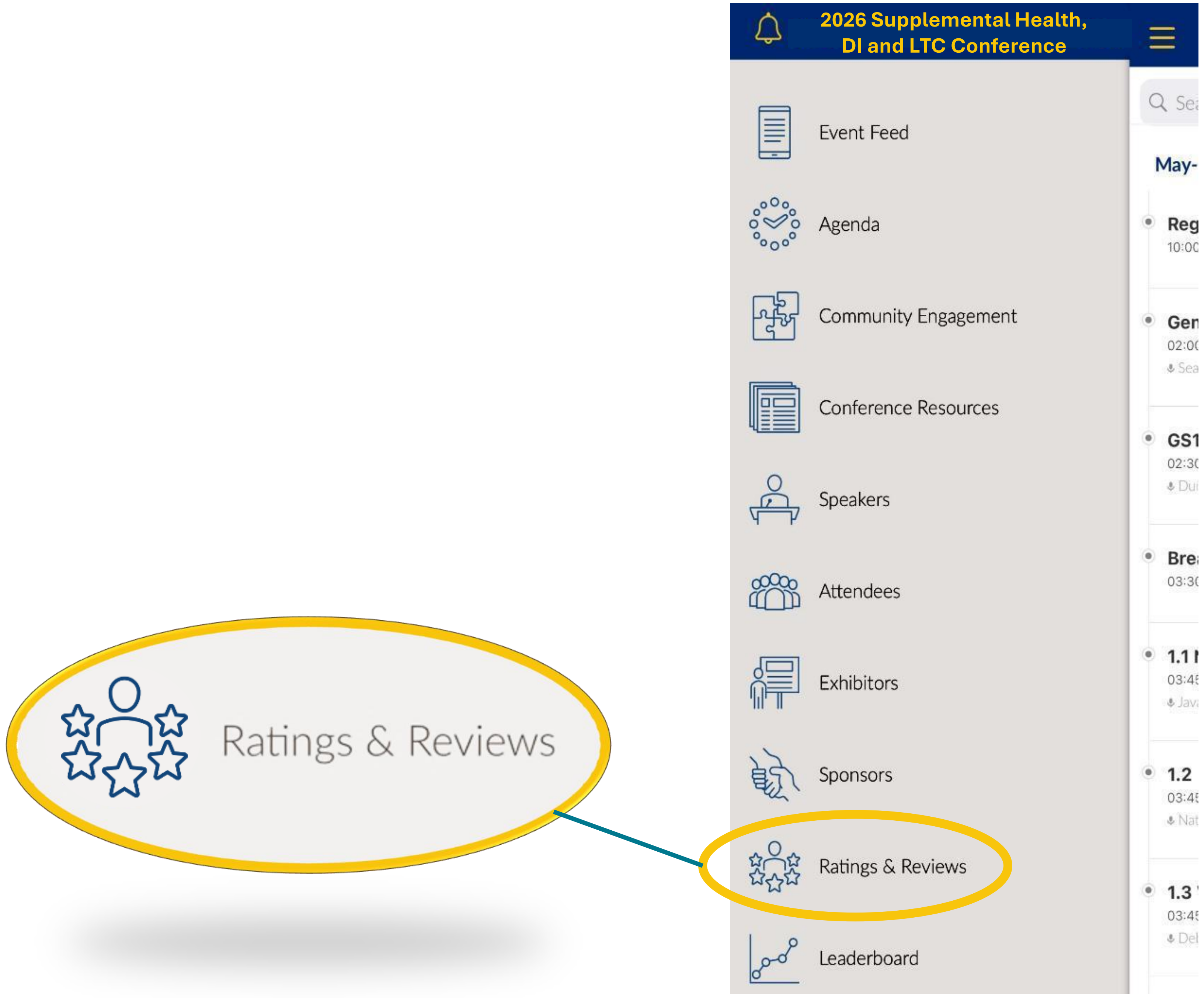
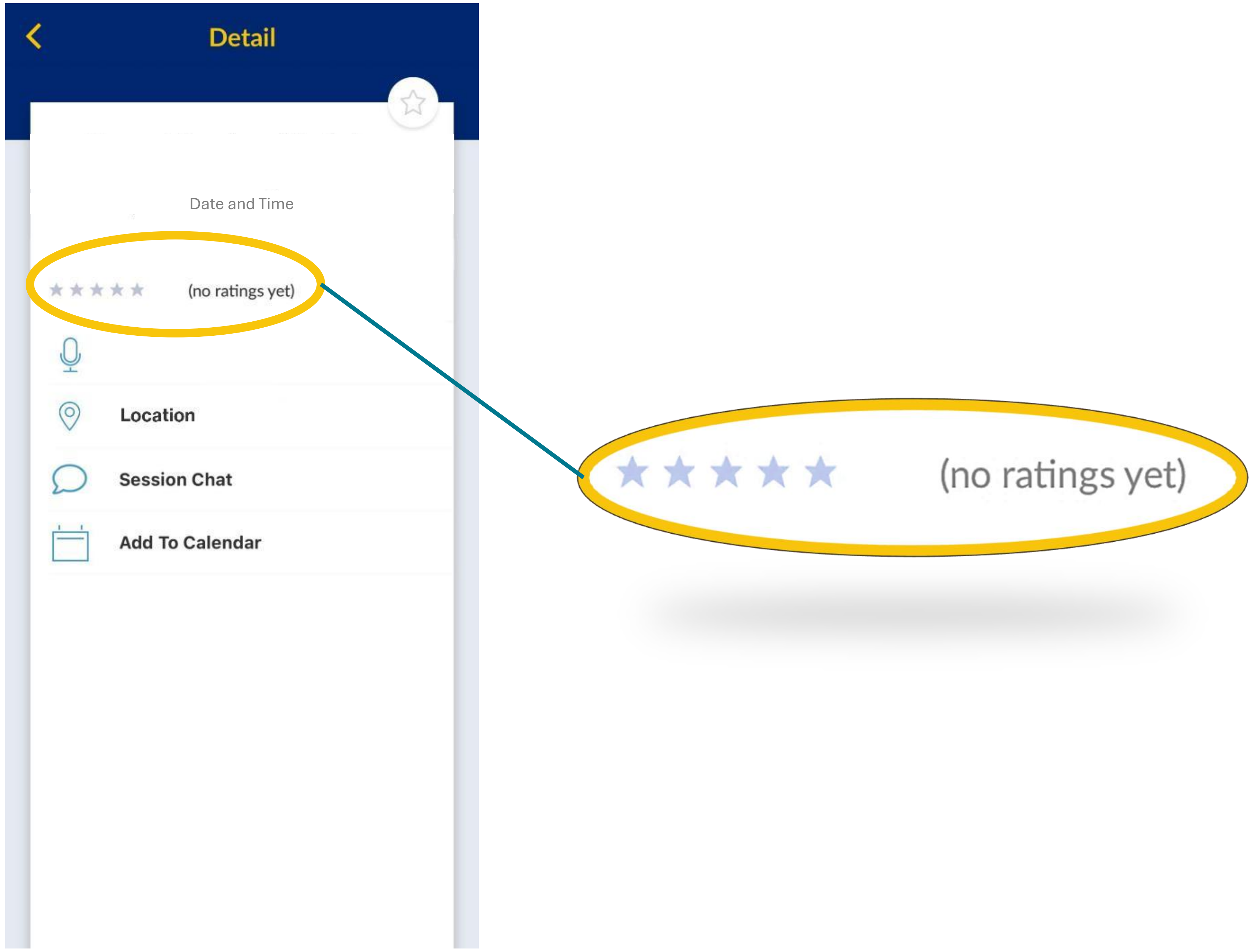
Module Option



Agenda Option



Thank You

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