



# PayGuard Plus agent's guide

## Disability income insurance

Have you ever found that a top-of-the-line disability income insurance policy isn't always appropriate in every sales situation? That sometimes less is better? The solution to this dilemma is PayGuard Plus.

PayGuard Plus is an affordable, basic and easy to understand disability policy. It can provide entry-level coverage to young professionals who may be cost-sensitive and unable to purchase a more robust Provider Choice policy.

## What is PayGuard Plus?

It is a reducing term disability insurance policy that provides basic coverage at an affordable price. The policy only covers total disabilities, and a True Own-Occupation rider is available.

## When should I use PayGuard Plus?

Use PayGuard Plus in the following situations:

- When premium is an important issue.
- When you are in a competitive situation with another company's tier-II-type policy.

## How does PayGuard Plus work?

Because it is a reducing term policy, the period of coverage reduces each year until the termination date is reached. The maximum period of coverage may be any increment of whole years from five to thirty years. The minimum period of coverage is five years. The length of time that the policy is in force is determined at the date of issue and ends on the termination date. Coverage ends at age 65 or on the termination date, whichever comes first.

## What are the policy features of PayGuard Plus?

**Definition of total disability.** Since PayGuard Plus is intended to provide only basic disability coverage, it contains a "modified own-occupation" definition of total disability. Total disability means that, "because of sickness or injury, the insured is unable to perform all of the substantial and material duties of his or her occupation or profession; and is not actually at work in any occupation or profession." This means that at claim time, no benefit is payable if the insured is working.

**With the True Own-Occupation rider,** the insured may be gainfully employed in another occupation so long as, solely due to Injury or Sickness, the insured is not able to work in his/her occupation.



## What is the opportunity with PayGuard Plus?

PayGuard Plus can provide a variety of solutions for your clients' needs.

### Key person coverage

In the event that a key employee becomes too sick or hurt to work, the benefits from PayGuard Plus can be used to cover the financial loss of the missing employee or to hire a temporary replacement while the insured recovers.

### Temporary coverage

PayGuard Plus can be used as a solution for the client looking for affordable coverage for a fixed period of time.

### Packaged with Term Life

PayGuard Plus coupled with a Term Life policy can offer solid temporary protection. Consider PayGuard Plus when designing affordable term-based holistic coverage for your Life clients.

**Waiver of premium**, if the insured is totally disabled for a continuous period of at least 90 days, during all of which time the policy has been in force, Guardian will:

- refund any premiums paid during that 90 days; and
- continue to waive premium for the three-month period after Your Total Disability ends.

On each waiver, the policy will be renewed for another term period of the same length as that in effect when the claim began. The owner has the right to resume payment of premiums when the insured recovers and the waiver of premium benefit ends.

**Mental and/or Substance-Related Disorders.** Available limitations include: No Limitation, 100% Limitation (no M/S coverage), 12-month, or 24-month. Availability will be based on state variations. Refer to the Field Underwriting Guide or DI Product Manual state variations sections for further details.

### **What are the advantages of PayGuard Plus?**

- The definition of disability is a “modified own-occupation” definition with an upgrade available to the True Own-Occupation rider.
- 90 or 180 day elimination period is available.
- PayGuard Plus premiums are comparable to other tier-II-type policy premiums.
- We will not require the Mental and/or Substance-Related Disorder limitation to be applied for the following occupations: anesthesiologists/ anesthesiologists (MD or DO); emergency room physicians; pain management physicians; nurse anesthetists; and dentists.

### **Can I use PayGuard Plus in a QSPP?**

- No, because it does not satisfy Federal ADEA requirements and other state requirements applicable to Qualified Sick Pay Plans.

## What about medical requirements for underwriting?

Benefit Amount	\$500-\$600	\$6010-\$20,000
Medical Form	Non-Medical or eMed	eMed, Paramed, or Telemed
Labs	Urine/HIV	Blood/Urine

## Can PayGuard Plus be used for guaranteed issue cases?

No, because guaranteed issue is generally contingent upon 100% participation. Check with disability underwriting regarding specific cases.

## Can I sell PayGuard Plus to a person who is either applying for or is already covered by other disability insurance?

Yes, as long as the combined amounts plus insurance in force do not exceed our issue and participation limits.

## Are there any discounts available?

We offer an Association discount and Multi-Life (3+ lives) discount on PayGuard Plus. You can also list bill these policies. No preferred risk is available and there are no tobacco-user/non-tobacco-user rates.

## What else do I need to know about PayGuard Plus?

- Rates and provisions are guaranteed until policy expiry.
- It is not available to occupation class 1 and 2.
- Only level premiums are available.
- Issue Ages are 18-60, the benefit term plus age cannot exceed 65.
- PayGuard Plus is subject to current issue and participation limits, however, you may not use the employer-paid limits table.
- Premiums are gender distinct.
- Premiums are calculated on an age last birthday basis.
- Available elimination periods: 90 or 180 days.
- PayGuard Plus has one optional rider: True Own-Occupation Rider.

## Key Person Coverage through PayGuard Plus

The **Business Owned Key Person Program** provides disability income protection for the benefit of the Business if a Key Person is unable to work due to sickness or injury. Coverage is paid for and owned by the Business and insures the Key Employee. In the event of a Key Person's disability, benefits are paid to the Business.

A Key Person is a member of the executive team or a crucial staff member whose knowledge, creativity, inspiration, reputation and/or skills are critical to the viability or growth of the Business, and whose loss may cripple it.

The amount of coverage on a key person in a business should be equal to the financial loss incurred upon the employee's inability to work due to disability. In the absence of unique circumstances, a reliable indicator of the employee's worth to a company is the compensation received. Higher amounts may be considered if the key person's value is fully demonstrated and a pattern of rapidly increasing company growth has been established.

### Key Person requirements: The Key Person

- Must perform critical functions for the business which cannot be easily replaced
- Works an average of 30 hours per week or more
- Cannot own more than 5% of the Business
- Has been with the Business for a minimum of 12 months
- Is not a 1099 employee
- Is covered by IDI or GLTD Disability Insurance
- Is not a spouse or first-degree relative (parent, sibling, child) of the owner(s)

Refer to the Field Underwriting Guide for full program details.

### Program details

#### Issue Ages

18 - 50 (insured, key employee)

#### Occupation Classes

6/6M, 5/5M, 4/4M, 3/3M

#### Definition of Disability

True Own-Occupation  
(via rider)

#### Premium Structure

Level only

#### Elimination Periods

90 or 180 Days

#### Benefit Period

5 Years

#### Discounts

None

#### Available Riders

True Own-Occupation

#### Minimum Issue Limit

\$1,000 per month

#### Maximum Issue Limit

\$30,000 per month

#### Owner

Business

#### Insured

Key Employee

The Guardian Life Insurance  
Company of America

[guardianlife.com](http://guardianlife.com)

New York, NY

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