



International Disability UNDERWRITERS

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Case Study Catalogue

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High Limit Personal Income

Case Study #1

A championship Pro-Golfer is gearing up for a season comprised of several national tournaments to include the PGA. To protect their projected prize earnings the player purchases a high-limit disability policy from IDU which pays out a weekly benefit in case a Temporary Disability prevents them from participating in events; the policy also includes a \$20,000,000 lump sum benefit should this player suffer a catastrophic permanent disability causing them to never be able to professionally compete again.

Case Study #2

While going through a financial planning exercise a Major Top 10 College Basketball Coach is strongly advised to secure excess disability insurance since his contract only provides benefits tied to base salary, leaving his retirement plan contributions and supplemental compensation bonuses unprotected. As the central concern being a loss of future income and savings due to a Permanent Disability, IDU issues a Total Disability Policy paying out a seven-figure lump sum benefit in the case of a career ending injury or illness.

Case Study #3

Highly compensated and successful Pro-Football Referee has been unable to secure income protection through the traditional markets due to his seasonal schedule and salary. As the client has no monthly benefits in place, IDU quickly implements a Temporary Total Disability Policy that will payout 65% replacement of monthly income for up to 60 months should the Referee become injured or sick and be unable to work.



Contract Protection

Case Study #1 – Team Owned Coverage: Permanent Total Disability

Rising-star MLS Soccer Player, who has been attracting large crowds and new fans, signs a new three-year contract with the largest team in the league. Contractually the team is obligated to pay a signing bonus as well as guaranteed money even in the event the player becomes disabled and is unable to play. In order to protect this six-figure investment the Team purchases an IDU policy that covers the 100% of the contractual obligation with an additional \$2,000,000 to off-set revenue losses from reduced viewership.

Case Study #2 – Contract Protection: Death Any Cause

A Third-Party Lender has a program specifically for loans distributed to young Athletes in their entry level contracts so that they can holding out for better terms on their upcoming career contract deals. The loan value is based on a percentage of player’s assumed future value, which in turn the Lending Agency looks to protect by taking out a Contractual Protection Insurance Policy for death any cause coverage that includes Permanent Total Disability with the Athlete as named Insured.

Case Study #3 – Loan Protection: Death, Disgrace & Disability

A Professional Football Player seeking income continuation will be taking out an off-season loan, however before the agreement can be finalized the lending agency requires insurance benefits to indemnify them should the player lose their team contract, eliminating their income and ability to pay back the loan obligation. The Player’s financial team helps him secure a Death, Disgrace & Disability Policy through IDU that will be owned and paid for by the player with the bank as named beneficiary.



High Limit Personal Disability Income

A new popular Musician receives a contract to appear on a reality talent show which will bring in a seven-figure payday. IN order to protect this contractual income as well as their historical earning from performances and records, the Musician purchases a personal income disability income protection policy with a monthly benefit of \$50,000 paid out over 36 months, followed by a lump sum of \$1,200,000. This policy, with a total aggregate of \$3M, will protect the client in both the case of a temporary as well as permanent, catastrophic disability.

Accidental Death & Dismemberment

A well-established Producer/Director with an extreme motorsports' hobby seeks additional coverage as their current Life Insurance policy does not cover for their racing activities. IDU was able to place a \$15,000,000 Accidental Death & Dismemberment policy specifically protecting the client from death or loss of limb arising from participation in motorsports.

Key Person Disability – Permanent Total Disability

A Production Studio has just renewed a top-rated show for a second season when they are advised to insure their key writers as well as the star of the show. In order to protect their investment, the Studio takes out key person policies on the writers for \$2,000,000 each and a \$10,000,000 policy on the star.

Brand Protection – Death & Disgrace

A Children's Cereal Company has invested large sums into launching a family-friendly marketing campaign with a popular, Olympic Gold-Medalist as the face of its brand. As a result of this hefty investment, the company turns to IDU for an insurance policy that will protect them in case the Olympian dies suddenly or publicly disgraces themselves and they are no longer able to use the marketing content.



Loan Indemnification - Disability

An Independent Entertainment Company is financing a new film for which they need to secure a loan, however the lending agency is requiring disability protection on the guarantor for the full 5 years of the term. IDU provides Loan Indemnity Insurance which will payout a monthly benefit that covers both the monthly repayment amount as well as interest charged. Since the benefit period and total aggregate reduces over the term of the policy, premiums will also shrink, mirroring the ongoing payment of the loan.

Contractual Protection – Death Any Cause

Book Publishing Company contracts a politician for production of an Autobiography for which they are advanced a large sum of money. The Company purchases IDU's Contract Protection Insurance for an annually renewable policy indemnifying 100% of the contract in the event that the politician passes before fulfilling their obligation.



High-Limit Buy Sell Disability

A mid-sized Pharmaceutical Company with three equal owners is addressing business continuation shortfalls by securing Buy Sell Disability Coverage. They've successfully taken out domestic policies on 2 out of the 3 owners for coverage totaling \$2,000,000 of their \$5,000,000 total business value; the third owner is above age limits for domestic options, leaving a \$11,000,000 combined exposure for the Company.

With age and benefit limits far exceeding traditional carriers, IDU issues excess disability policies to match the domestic carrier payout structures with an initial Lump Sum followed by monthly installments over 60 months that complete the remaining buy out obligation.

Loan Indemnification

A soon to be retired entrepreneur has transferred 100% ownership to a younger key person executive, who is also their son. Since they are immediate family members, they are unable to obtain coverage through the domestic market for the contractual agreement called for the purchasing employee to make monthly payments of \$50,000 to the retiring partner over a 5-year period.

Key Person Disability Protection

An Organization's Vice President of Sales is responsible for generating over 50% of the company's revenue. After purchasing Key Person Life Insurance, the CFO realizes there is still a risk of Disability taking out their key revenue driver. In order to solve for this exposure, the Company takes out a policy with IDU providing a combination of Monthly and Lump Sum benefits; this alleviates both lost monthly revenues due to a Temporary Disability as well as offsetting more significant losses from a Permanent Disability causing compounded expenses from severance and new hire costs.



Contractual Protection

When a large, national Accounting Firm is going through the final steps in a merger agreement with a smaller competitor, the risk management department raises the concern that Key Person Life Insurance has yet to be secured; with the acquired firm's President contractually bound to stay on for two years, ensuring a successful merger, the agreement is in jeopardy of costly delay, unless a short-term, interim solution can be found.

Fortunately, within 48 hours of receipt of an application, IDU is able to issue a 90 Day Policy Term for Contractual Protection Insurance which would payout a benefit for Death Any Cause should an unfortunate loss of the President occur while the traditional life insurance is being underwritten.

Multi-Life – Supplemental Employee Retirement Program

Bank has an employment agreement whereby they contractually provide disability coverage to executives through Age 60.

Executive is age 50 and Disability benefit is \$50,000 per month. IDU can offer a lump sum GSI policy for the sum insured covering the executive from age 50 to age 60. Regardless of the elimination period of the bank coverage, the elimination period on the plan is 365 days and reimburses the bank directly for their payments to the permanently disabled executive.

