

Answers to Frequently Asked Questions About Future Purchase Options



How do I request an illustration for a Future Purchase Option exercise?

Once you have the following information available, please email dichanges@standard.com.

For Quotes of	Please Provide
Maximum available amount	Policy number and customer name
Specific amount of increase	Policy number, customer name and amount requested
Maximum eligible amount	Complete Increase Quote Request, Form SI 17347 (Form SNY 17347 in New York)

What Application Do I Use for FPOs?

The geographic state of the Future Purchase Option application should match the state of the base contract.

- The application can be signed in another state.
- In some instances The Standard will accept an application for the state of current residence even if it differs from the state of the original contract. It will depend on product availability and other variables.
- The broker must be licensed in the state of the FPO application to receive compensation for the increase.
- FPOs on base policies issued by The Standard Life Insurance Company of New York must be applied for using a New York Increase Application. Similarly, FPO requests on base policies issued by Standard Insurance Company must use the Increase Application for non-New York states.
- Please use the Increase Option Packet for your state. It is located at www.standard.com/di under [Get Applications & Forms](#). This packet, Form 11357 includes these two forms:
 - Authorization to Obtain and Disclose Personal, Nonmedical Information, Form 7262. Complete this and submit with the application.
 - Disclosure Notice, Information Practices, Form 11409. Leave this with the policy owner at time of application.

continued on next page



For producer use only.
Not for use with consumers.

See also

How To Exercise A Future Purchase Option, Producer Training Presentation, [Form 14507PPT SI/SNY](#).



How to Exercise Future Purchase Options

For producer use only. Not for use with consumers.

September 9, 2019



Your customer management specialist can assist you if you have questions.

Standard Insurance Company
The Standard Life Insurance Company of New York

standard.com/di

17343 (12/19) SI/SNY

Do I need anything in addition to the application to submit with an FPO exercise?

- Income documentation must be submitted with the increase application. Please see [Understanding Income Documentation, Form 14162 SI/SNY](#). (This document is also part of the Increase Option Packet.)

When can my customer apply for an off-anniversary FPO exercise?

There are two situations in which The Standard may approve an off-anniversary exercise:

1. Applicants with fully underwritten base policies issued under the Student and New Professionals Guidelines may request one off-anniversary exercise within 36 months following graduation with a professional degree, or completion of a residency or fellowship, whichever comes later. Approval of the increase is subject to The Standard's usual financial underwriting.

This option is not available to participants in a Graduate Medical Education program from The Standard.

2. In the 90 days preceding the request for additional coverage, the policyowner must have experienced at least one of the following events. Proof of the event will be required.

Base policy is Protector Platinum

- Insured financially qualifies for at least \$500 of FPO increase
- There is a loss of employer-paid disability income insurance

Base policy is The ProtectorSM or Protector+

- There is a significant increase in earned income due to events such as a job change, promotion or establishment of a medical practice.
- There is a loss of group long term disability coverage.

See [The Standard's IDI Product Guide, Form 9251 SI/SNY](#), Students and New Professionals section, for more information. Please note that off-anniversary FPO exercises are not available with Protector EssentialSM.

My customer has not exercised an FPO and now, due to age, only has access to a percentage of the available FPO pool. Why can't my customer use more of the pool?

The amount available, based on age, is part of the product filing and language in each contract and cannot be changed.

Can an insured exercise an FPO while on claim?

Yes, if the insured's income is sufficient to qualify for the increase. Most of the individual disability insurance products sold by The Standard allow an increase option exercise while the insured is on claim. To find out whether the option is available while the insured is receiving payments, please refer to the contract or contact The Standard's home office.

The increase does not apply to any existing or recurrent disability or serious health condition that began prior to the effective date of the increase.



How are commissions calculated on waived premium?

Commissions are not payable on waived premium.

I thought The Standard did not require income documentation for FPO exercises on policies for individuals who are in their first two years of professional practice. Why do customers have to provide income documentation for FPO increases on Graduate Medical Education policies, since those insureds are new-in-practice?

GME and new-in-practice policies are different programs and cannot be combined. Students and new professionals' limits, including new-in-practice limits, are not available to increase options on policies issued through a GME plan at The Standard.

Why are some increases issued as a new policies while others are applied to existing policies?

Increase options are issued at attained age on the product that is currently being sold in that state at the time of the increase.

- If the product originally issued in the base contract or as an earlier increase on the base contract is still being sold in that state, coverage can be added to the existing policy.
- If the product originally issued in the base contract or any products issued as subsequent exercises of increase options are no longer being sold in that state, a new policy will be issued using the current product being sold in that state.
- Protector EssentialSM FPO requests will only be issued on Protector Essential base contracts. Protector Essential cannot be issued as an increase option for other products.

Why can't a customer combine all of his policies into one policy so he only has to keep track of one payment?

Individual disability insurance policies are legal contracts where each product has specific coverage and benefit options. The Standard cannot combine different products or state contracts into one contract.

Do all the policies have to use the same payment mode?

Each policy is a separate contract and can have separate payment modes.

