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FINANCIAL EDUCATORS

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Course Information:

Course Title: Disability Insurance Update

Course Number: 290215 (CFP Board Course ID# 195526)

Type of course: Self-study

Number of CFP® continuing education credit hours recommended for this course: 2.5

Subject Codes:

CFP Board of Standards, Inc.: “B” Insurance Policies and Strategies

Course Level of Complexity: Overview

Course materials:

Course: author: Paul J. Winn, CLU, ChFC

Course Material: Printed, Seven sections, 78 pgs. (Text)

Exam (online): 30 questions (multiple choice)

Course Description

The *Disability Insurance Update* course consists of seven lessons covering the principal disability products: disability income, income replacement, business overhead expense and disability buyout.

The text focuses primarily on disability income insurance although business-related disability products, such as disability buyout and business overhead expense policies, are also examined. Students are introduced to the various definitions of disability—own occupation, any occupation, etc.—that are used by insurers, as well as the important differences between the principal renewability provisions. Disability rider benefits are considered, including those benefits provided by the Social Insurance Benefits rider, the Purchase Option rider and the Return of Premium rider. Financial and medical disability insurance underwriting is discussed, and the use of occupational classification is explained. The important sources of disability income benefits are considered, including those provided by federal and state government programs, employer-related plans and individually purchased policies. The tax treatment of disability premiums and benefits is explained.

Learning Objectives

1. Define disability income insurance.
2. Differentiate between the various disability policy definitions and provisions.
3. Recall the principal disability rider benefits.
4. Recognize the important aspects of disability income underwriting.
5. List the primary sources of disability income benefits.
6. Recall the special coverage disability policies.
7. Recall the taxation of disability coverage.

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This document is designed to provide general information about the subject. It is not a substitute for professional advice in specific situations. This publication is not intended to be, and should not be construed as, legal or accounting advice which should be provided only by professional advisers.

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