

# Individual Disability Income Insurance

## Side-by-Side Product Comparison

The purpose of this chart is to highlight the major differences between a group LTD (GLTD) product and MassMutual’s Radius Choice individual disability income (DI) insurance product. Radius Choice is not meant to “compete” with a GLTD product. Radius Choice can be sold as a supplement to GLTD to provide more comprehensive disability coverage.<sup>1</sup> Understanding the differences between these two types of products is necessary in order to help your clients select DI coverage appropriate to their individual needs.

	Massachusetts Mutual Life Insurance Company	A Group Long Term Disability (GLTD) Policy
<b>Form #</b>	ICC15-XLIS-RC & XLIS-RC-15 (Radius Choice)	<b>Form #:</b> N/A <b>Policy Type:</b> Group
<b>Participating Policy</b>	Yes. Dividends, if any, are not anticipated to be credited before the end of the fifth policy year (sixth policy year in PR). Dividends are not guaranteed.	Generally, contract is non-participating (no dividends payable).
<b>Renewability</b>	Non-Cancelable to Age 65 Conditionally Renewable from Age 65 to 75	Product usually has a 2, 4 or 5 year rate guarantee at onset of coverage with a carrier. Policy can be canceled at any time with appropriate notice to the carrier from the policyowner. Provisions, benefits and rates can be changed at renewal. Most business is takeover, “no loss no gain.”
<b>Issue Ages</b>	18–64	Issue ages are flexible. GLTD is more focused on group eligibility based on Actively At Work, e.g. “employee regularly scheduled for at least 20 hours per week.”
<b>Elimination Periods</b>	60, 90, 180, 365 & 730 days	90 & 180 days (usually paired with Group Short Term Disability plan that has a benefit period for the length of the GLTD elimination period)
<b>Benefit Periods</b>	2, 5, 10 years, To Age 65, To Age 67, To Age 70	2, 5, To Age 65 (older ages may have reduced benefit period)
<b>Definition of Total Disability</b>	Cannot perform the main duties of his/her occupation, is not working at any other occupation, and is under a doctor’s care. (“Modified Own Occ”)  <b>Own Occupation Rider</b> at additional cost. Provides a monthly benefit when the insured cannot perform the main duties of his/her occupation, is working in another occupation, and is under a doctor’s care. (“True Own Occ”)	The employer can customize this. Generally, it will provide “own occ” coverage for a designated period of time, such as 24 months; thereafter, must be disabled from performing the duties of any occupation for which insured is reasonably suited by education, training, or experience.

<sup>1</sup> Individual disability income insurance does not coordinate with group long term disability coverage. Claims decisions are rendered independent of each other.

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<b>Partial Disability</b>	<p><b>Extended Partial Disability Benefits Rider</b> at additional cost. During the first 6 months, insured has a reduced capacity to perform his/her occupation and suffers at least a 15% loss of income, or suffers a 15% loss of time (i.e. can perform all the main duties of his/her occupation but for no more than 85% of the time they were collectively performed just prior to the start of disability), or cannot perform 1 or more main duties. After 6 months of disability, a 15% loss of income due to diminished capacity is required. During the first 12 months of disability benefits, the monthly payment is 50% of the Extended Partial Disability Monthly Benefit or the amount of the actual loss, whichever is greater. Full benefit will be paid if loss is greater than 75%. After 12 months, benefits are proportionate to the loss of income, or if greater than 75%, full benefit will be paid.</p> <p><b>Maximum Benefit Period:</b> Same as base.</p>	GLTD usually includes a Partial Disability benefit. This can be customized by employer, or may not be included at all. Generally, it will provide benefits if there is at least a 20% loss of income.
<b>Recovery Benefit</b>	<p><b>Recovery Benefits are included in the Extended Partial Disability Benefits Rider.</b> Benefit is paid after insured returns to work full-time and has an income loss of at least 15% as a result of the disability.</p> <p><b>Max BP:</b> Same as base.</p>	Limited recovery benefits (e.g. 3 months) are generally available. May be available by endorsement up to 12 months.
<b>Pre-Disability Income</b>	<p><b>Calculation:</b> Average of last 12, 24, or highest 24 out of 60 months.</p> <p><b>Indexing:</b> CPI-based; 3% minimum.</p>	Carrier and employer agree to definition of Monthly Earnings and Minimum and Maximum cap. Benefit is usually based on the amount in effect immediately prior to the disability date.
<b>Presumptive Disability</b>	Insured is presumptively totally disabled when sickness or injury causes a total loss of speech, hearing in both ears, sight in both eyes, use of both hands, use of both feet, or use of one hand and one foot. While the policy is in-force, if the insured suffers a presumptive disability and is under a doctor's care, then the full Total Disability Benefit will be paid following the waiting period for total disability. If the loss is complete and irrecoverable, the full Total Disability Benefit will be paid immediately, and MassMutual® will waive the requirements of being under a Doctor's Care and satisfying the Waiting Period.	May be offered as part of the base contract.
<b>Recurrent Disability/ Cumulative EP</b>	Due to the same or related cause and occurs within 12 months of the prior disability (6 months if BP is less than To Age 65). No new elimination period is required.	Generally, defined as the same or related disability; the cumulative EP is twice the actual EP on the policy (i.e., you can satisfy the EP within 180 days if the actual EP is 90 days. (They do not have to be consecutive days of disability).
<b>Waiver of Premium</b>	After 90 days and for as long as insured remains disabled. Premiums paid that fell due during that 90-day period will be refunded.	Employer may or may not include with rate up.
<b>Cost of Living</b>	<b>Cost of Living Adjustment Rider</b> at additional cost. 3% compound; no cap; benefits can be purchased upon recovery.	Selected at employer level. Generally available to higher occupation and income classes.
<b>Benefit Indexing</b>	<b>Automatic Benefit Increase Rider.</b> Allows insured to increase benefit on 5 consecutive policy anniversaries without evidence of insurability (must not be disabled) through age 55. Each increase will be the greater of \$50 or 3% of the monthly Total Disability Benefit that required proof of insurability to purchase, and the monthly benefit for the COLA Rider, Extended Partial Disability Benefits Rider and the Own Occupation Rider, if in force at the time of the coverage addition. If insured refuses 2 consecutive increases, all further increases will be forfeited and the rider will terminate.	Generally not available.

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<b>Future Purchase Option</b>	<p><b>Future Insurability Option Rider</b> at additional cost. Can be exercised annually to age 60; maximum pool size is 3X base up to maximum issue limits for issue ages 18-50 (and 50% base for ages 51-55); if insured is disabled during option period, he/she may apply for the increased benefits upon recovery; requires financial underwriting only. If, when exercising an option, the insured qualifies for a more favorable occupation class or issue and participation limits than applied at time of policy application, they will receive the higher class and/or limits.</p> <p><b>Benefit Increase Rider.</b> Allows policy owner to apply for increased monthly benefits every 3 years to age 52. Must purchase at least 75% of the benefit for which they are eligible at time of issue. To keep MassMutual's BIR in force until age 55, it must be renewed every 3 years. To renew the BIR, the insured must submit an application and accept at least 50% of the increase for which he/she qualifies. If these conditions are not met, the rider will terminate. If the insured's attained age is greater than 52 on the coverage end date of the rider, he/she can increase coverage under the terms of the rider but the rider will not renew.</p> <p><b>Note:</b> Due to the Maximum Issue Limits applicable to the BIR and FIO riders for Radius Choice policies, the following restriction applies: An Insured is eligible for coverage under either the BIR or the FIO on one (1) Radius Choice policy. An Insured with multiple Radius Choice policies will not be eligible for any additional BIR or FIO riders.</p>	Not usually seen in GLTD. Ability to add coverage annually may be available, based on occupation class and income; however, this additional coverage is generally fully-underwritten.
<b>Relation to Earnings/Income**</b>	None; the amount of the Total Disability Benefit offered is based upon income at time of application. Benefit amount is not readjusted at time of claim.	GLTD is based upon relation to earnings. Generally, a plan will pay 50%, 60%, 66 2/3% or 70% of income, subject to an overall plan maximum. It is very common for the plan to have a core/buy-up. The employer pays the premium for core, and the employee pays the premium for the buy-up, e.g. core = 50%, buy-up = core + 20% (70%).  <b>Note:</b> Employer paid benefits are paid pre-tax; employee paid benefits may be paid pre-tax or post-tax. If post-tax, benefit and/or cost may be different.
<b>Mental/Nervous/Substance Abuse</b>	Benefit period is 24 months per occurrence; no aggregate lifetime limit.  The Maximum Benefit Period Endorsement (MBPE) <sup>2</sup> removes the 24 month Mental Disorder Limitation from the policy. If the MBPE is attached to the policy, benefits for a Disability caused, or contributed to by, a Mental Disorder will have the same Maximum Benefit Period as any other Disability. The endorsement cannot be removed once the policy is in force.	Generally, 24-month aggregate lifetime limit.
<b>Exclusions/Limitations</b>	Incarceration, war, normal pregnancy/childbirth*, sustained during a riot, resulting from active duty in the armed forces*, intentional self-inflicted injury, sustained while committing a felony or engaged in an illegal occupation, pre-existing conditions.  *This exclusion is removed by an endorsement issued with all Radius Choice policies.	Offsets for other income. General exclusions can vary by carrier, but typical exclusions include war, self-inflicted injuries, sustained during a riot, sustained while committing a felony, cosmetic surgery, gender change, pre-existing conditions.

<sup>2</sup> Available at an additional cost. The Maximum Benefit Period Endorsement is not available to all occupations and is subject to home office approval, except in VT where it is required by state law on all policies with a Benefit Period greater than 2 years. Refer to the DI Reference Manual for a list of occupations that are not eligible for the endorsement.

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<b>Other Features/ Riders</b>	Rehabilitation Benefit Right to Apply For Additional Monthly Benefits Suspension for Unemployment Catastrophic Disability Benefit Rider (additional cost) Group Supplement Rider (additional cost) RetireGuard Rider (additional cost) Short Term Riders (additional cost) Social Insurance Rider (additional cost) Student Loan Rider (additional cost)	Riders may or may not be available to customize the policy.

## Other information:

\*\*Relation to earnings, or relation to income, refers to a concept where the benefit amount payable at time of claim is based upon a percentage of earnings at time of disability. The Radius Choice contract pays disability benefits based upon the Monthly Benefit amount stated in the Policy Specifications, regardless of income at time of claim. A group LTD contract will pay a percentage of earnings at time of claim, subject to plan minimums and maximums.

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This comparison represents some, but not all, contractual provisions and is for research purposes only. A variety of publicly available sources we believe are accurate were used in compiling the summary, and in some cases interpretation was required. Information is as of January 2023. Policies and riders and their availability may vary by state and class. Refer to actual contract language for additional information. For more information on the Radius Choice policy, refer to the DI Reference manual, DI1075.

