




# Quick Guide: Exercising FIO/FPO & GDR

**Summary:** This Guide outlines what happens to the rider on the originating policy once an FIO/FPO/GDR is exercised.

<p><b>Definition</b></p>	<p><b>(FIO) Future Increase Option/(FPO) Future Purchase Option</b> – Allows the insured to increase his/her coverage subject to financial underwriting at annual option dates.</p> <p><b>(GDR) Group Disability Rider</b> – This rider provides a one-time option to purchase additional coverage on an option date, in spite of any health changes. The right to exercise occurs when their group long-term disability ends and is not replaced or their employment terminates with an employer where they were covered by a group long-term disability plan at the time of their termination.</p>
<p><b>Process Overview</b></p>	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p><b>Application submitted to the New Business</b></p> </div> <div style="text-align: center;">  <p><b>Application approved by the Underwriting</b></p> </div> <div style="text-align: center;">  <p><b>Underwriting sends the approval to Disability Inforce Operation's team</b></p> </div> </div> <ol style="list-style-type: none"> <li>1. When a <b>Future Increase Option, Future Purchase Option and/or Group Disability Replacement</b> rider is exercised, a work item is created for Disability Inforce Operations.</li> <li>2. Work items are reviewed by a processor to determine if the rider on the originating policy needs to be removed or reduced.</li> </ol>
<p><b>After the Future Increase/Future Purchase/Group Disability Rider is Removed or Reduced</b></p>	<ul style="list-style-type: none"> <li>• If the policy is on a monthly bank draft we will leave any refund of premium to reduce the next draft. A <b>letter</b> and an <b>Automatic Withdrawal reminder</b> will be mailed to the policy owner advising of any <b>premium change</b> and of the change to their FIO/FPO/GDR rider (if applicable). On some policies the FIO/FPO option does not get removed or reduced each time they exercise the option, <b>please refer to the policy pages for specific rider information.</b></li> <li>• If the policy is on a <b>direct billing mode</b>, the <b>refund</b> will be sent to the payee. A <b>letter and refund</b> will be mailed to the policy owner advising of the change to their FIO/FPO/GDR rider (if applicable). On some policies the FIO/FPO option does not get removed or reduced each time they exercise the option, <b>please refer to the policy pages for specific rider information.</b> If the payee is other than the policy owner, a separate letter will be sent to the payee with the refund.</li> </ul> <p><b>*Note:</b> Refer to the policy pages for specific rider information.</p>
<p><b>Additional Information</b></p>	<p><b>Quotes*</b> – To request a quote to see what the originating policy premium would be once an FIO/FPO/GDR is exercised, please email <a href="mailto:DIProcessing@glic.com">DIProcessing@glic.com</a>.</p> <p><b>* Please note:</b> This is for inforce quotes only. Quotes for an <b>FIO/FPO/GDR</b> exercise would be run by the <b>servicing agency</b>.</p> <p>The time standard for processing is typically two business days after being notified of the exercise, the new policy needs to be inforce before the reduction or removal is processed.</p>