WHAT TO LOOK FOR WHEN

BUYING DISABILITY INSURANCE

BY MARC WHITEHEAD, ESQ.

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INTRODUCTION

Understanding what you're buying is the first step to making sure you're protected.

We all know the importance of protecting what we work for. This includes protecting our earning power. People across all occupations, with the potential to earn a large amount of income over their working life, have a lot at stake.

Most high-income earners will purchase a disability insurance policy at some point in their careers. These policies go by various names such as individual disability insurance (IDI), disability income (DI) insurance, and private disability insurance. The bottom line is, they all mean the disability policy is 100% yours, designed and paid for by you.

IDI coverage protects your income and standard of living when illness or injury prevents or limits you from working in your occupation. A popular misconception is that IDI only covers you against catastrophic accidents. The reality is that common illnesses such as depression, musculoskeletal disorders, back injuries, or cancer are far more likely to disable you from working and supporting your family.

Physicians and dentists are prime examples. They invest a great deal of money into their professions. There is also a very physical component to these occupations. The career of a surgeon depends on his or her ability to perform routine surgical procedures repeatedly, day after day.

That ability can be impaired by seemingly small disabilities or injuries that would not impede someone in another vocation. This is just one illustration of how critical customized disability insurance can be, and why the policy must be properly drafted.

Understanding what you're buying is the first step to making sure you're protected.Costly mistakes happen when insureds do not understand what the policy they buy will and will not do. And there is no more frustrating feeling than not knowing where to begin. At Marc Whitehead & Associates, we want you to have the facts you need.

Part I of this paper explains how disability insurance policies are constructed, the features to look for, and a framework for comparing options. In Part II, I share my perspective as an attorney who represents individuals who have had to fight the very companies that sold them their policies in order to win their rightful benefits. It is all part of the same puzzle.

Stick with me and read every chapter. My hope is that you secure a strong, well-founded disability insurance policy that will provide the income protection you and your family deserve.

To your success,

Marc Whitehead, Esq.

I. WHAT TO LOOK FOR WHEN BUYING PRIVATE DISABILITY INSURANCE

1. BASICS OF BUYING A DISABILITY POLICY

Disability insurance is income protection. Policies are designed to suit various needs andbudgets. You may purchase an IDI policy as standalone protection, or supplement a group disability benefit provided by your employer.

What Can You Expect Cost-Wise?

Most IDI policies pay benefits that replace from 50% to 80% of your pre-tax salary. Disability insurance generally costs an average of 1% to 4% of your annual salary. When you pay 100% of the premiums, the benefits are tax-free.

From applying for coverage to actually filing a claim to obtain benefits, disability insurance has many working parts. The actual costs of IDI are based upon those parts, as you will see. First, you need to know the fundamental components that make up your policy. Then you customize your coverage so that it does what you need it to do when disability strikes.

How Do You Obtain Coverage?

Getting the best policy entails getting several quotes and comparing several policies. You can research this on your own, or work with an independent agent or broker who can give you quotes from multiple providers.

A good agent can help you sort through different companies' policies, because depending on your state, gender, and ccupational specialty, one insurer's policy may be cheaper than a similar policy offered by another insurer. It is helpful to have a reliable agent to explain exactly what coverage is in a policy, and where to find specific wording within each contract.

An experienced agent can also identify misconceptions and help prevent unrealistic expectations. Even so, you should take the opportunity to review any agent's proposals yourself.

Also, insurance providers have sample contracts for the different occupation categories known as specimen contracts. Asking to see an insurer's specimen contract can reveal quite a bit of information and help you better understand the true benefits offered and the language used.

If you don't have an agent already, who would you trust to help? One place to start is your state's Department of Insurance. The department is responsible for: (1) licensing insurance companies and agents, (2) regulating insurance policies and rates, (3) reviewing insurance company practices, and (4) serving consumers through education and complaint resolution.

Your state's Department of Insurance will have names of agents and companies writing policies in your state. There is no federal regulatory agency that oversees insurance companies.

Who Are the Disability Insurance Providers?

The following are prominent carriers of individual disability insurance in today's marketplace:

Ameritas® fulfilling life®
MassMutual
State Farm™
Assurity® Life Insurance Company
Mutual of Omaha
Sun Life Financial
Guardian®
Northwestern Mutual®
The Standard®
Illinois Mutual®
Ohio National Financial Services®
Lloyd's — Lloyd's of London
Principal℠
unum℠

CHECK THE INSURANCE COMPANY'S FINANCIAL STABILITY AND RATINGS

An insurance company rating is an indication of the company's financial strength. There are four major rating agencies: Fitch, Moody's, S&P Global, and A.M. Best. Each of the four (and their other competitors) use their own scales to rate an insurance company. As a result, one company's rating isn't necessarily equivalent to another's.

You can personally check with the following companies which rate insurance company strength. Most companies use the letter rating scales ranging from AAA to D (high to low) and often accompanied by a (+) or (-) modifier. You want an A-rated company, with A++ or AAA being superior.

INSURANCE RATING AGENCIES

A.M. Best Company, Inc.
Ambest Rd.
Oldwick, NJ 08858
908-439-2200
http://www.ambest.com

Fitch Ratings
1 State Street
New York, NY 10004
1-800-75-FITCH
https://www.fitchratings.com/

Moody's Investor Services
250 Greenwich Street
New York, NY 10007
212-553-0300
http://www.moodys.com

S&P Global Ratings
(formerly Standard & Poor's Insurance Ratings Services)
55 Water Street
New York, NY 10004
1-877-772-5436
https://www.standardandpoors.com

Your state's Department of Insurance can confirm that insurance carriers operating in the state are financially sound and thereby able to meet their obligations to pay claims. If you are working with an insurance agent or company representative, they should provide this information as well.

2. HOW AN IDI POLICY IS CONSTRUCTED

Private disability insurance policies offer the best income protection because you are individually underwritten.

Underwriting Basics

Underwriting means you have to qualify financially and medically for the policy. Underwriting is the process the insurer follows to analyze the risk of insuring you before undertaking that risk– at what cost and on what terms.

An underwriter will look at your occupation and income, your health and medical history, your age and gender, and your lifestyle. Underwriting helps the company determine the amount of benefits for which you are eligible, and any riders or features that may be available to you.

The Underwriter Will Assess Your Risk as an Applicant

The insurance company wants to know if and at what price they should enter into a contractual agreement with you. How likely is it that you'll file a claim that the carrier will need to pay out?

How Disability Insurance Policies Are Designed

It bears repeating: no two disability policies are the same. You need to read an entire policy to know when it will pay benefits, and when it won't. However, there are basic features across policies.

Some DI policies have lots of built-in benefits, some have less, and most are customizable. You build upon a basic policy, adding optional riders to customize coverage. In general, the more coverage you include in your policy, the higher your premiums.

What factors will affect the price of your IDI policy?

Buying the right insurance coverage begins with asking the right questions. As you read through this paper, become familiar with the following disability terms. They will all play a role in both cost and coverage.

1. Occupation Class
2. Own Occupation (vs. Any Occupation) definition of disability
3. Benefit Amount
4. Waiting Period (Elimination Period)
5. Benefit Period
6. Partial/Residual Disability (If you are only partially disabled, will the policy cover you?)
7. Pre-existing Conditions
8. Mental/Nervous Coverage (is coverage restricted, or excluded?)
9. Other Risk Factors (Age, Gender, Health, State)
10. Graded vs. Level Premiums
11. Discounts
12. Policy Riders

Disability Insurance Terms and Definitions

Occupation Class
As part of underwriting, insurers sort jobs into occupation classes. Each company has an occupational class rating system, based on its actuarial experience and understanding of the occupation. Needless to say, occupational class and premium prices can vary greatly from carrier to carrier.
The occupation class is based on the perceived risk of the actual duties performed and job-related factors such as:

- Environmental hazards
- Past claims experience
- Education and training
- Stability and incentive

Insurers assess how likely it is that you will become disabled, and how likely you would remain disabled versus return to work. They apply theory that someone involved in manual, strenuous, or procedural labor is more likely to become disabled than, say, a sedentary, office-based executive.

The occupation class you fall into determines:
- The disability plan, benefit period, optional benefit and rider availability
- Own occupation limitations
- Premium rate

By considering your job title and vocational duties, the company will rate how much coverage is available to you – this can limit whether you may obtain own-occupation definitions in your coverage, and at what cost (premium). Your assigned occupation class also affects the scope of your coverage.

If you have multiple or part-time occupations, the occupation class will be determined by the occupation with the greatest risk.

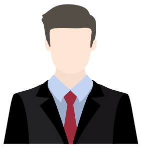
How do disability carriers determine your appropriate occupation class?

Most disability companies have a schedule of four to six "occupation classes" into which occupations are assigned. Class rankings will vary depending on the insurance company and are subject to change now and then. The higher numbers imply a more "favorable" historical experience in the eyes of the insurer and therefore less risk. When shopping for disability insurance, you would want to pay attention to an insurer's policy that puts you in a higher classification than other policies do.

Insurers first look at your occupation title and the actual duties you perform. They want to know the percentage of time you spend doing your professional, managerial, and administrative duties vs. trade, services, and manual labor duties.

Certain IDI carriers have plans to accommodate most medical, dental, legal, accounting, and other occupations requiring advanced education, specialized training, licensing, and certification or association membership. Some IDI carriers cater to medical and dental specialists, offering Specialty Specific/Own Occupation disability plans.

Example Rankings of Occupation Classes:



Class 6:

Certain executives and white-collar occupations with minimal exposure to hazards. Duties include administrative, professional, managerial, and clerical with no manual labor and minimal physical dexterity demands. Usually requires advanced or specialized education, training, or experience (e.g., accountants, attorneys, executives, pharmacists, computer analysts)

Class 5:

Occupations where duties include professional and specialized technical functions that may require physical dexterity with little or no manual labor or services. Advanced or specialized education, training, or experience is required. Examples include medical and dental professionals, who do not do any type of surgery or interventional procedures, such as general practitioners and family practice doctors.

Class 4:

Occupations where duties include professional and specialized technical functions that require physical dexterity and who perform interventional and routine medical and dental procedures. Advanced or specialized education, training, or experience is required. Examples include surgeons, ER doctors, dentists, anesthesiologists, and CRNAs.

Class 3:

Occupations where duties include professional, semi-professional, supervisory, or technical functions that may require on-site supervision, moderate physical dexterity with little or no manual labor or services. Typically, specialized training or experience is required. Examples include on-site supervisors, X-ray technicians, and dental hygienists.

Class 2:

Occupations where duties include semi-professional, skilled trade, or technical functions that may require continual physical dexterity and manual labor or services. Specialized training or skills are required. Examples include electricians, HVAC technicians, truck drivers, farmers, mechanics, and chefs.

Class 1:

Occupations where duties include technical or trade functions that may require heavy manual labor or services, continual physical dexterity, and hazardous environmental exposure. Basic skills or training is required. Typically, longer periods of recuperation from disability are required. Examples include chiropractors, factory laborers, firemen, policemen, roofers, and carpet layers.

! **Important to know:** Class upgrades may be available. This could allow you to apply for optional riders or benefits that are available only to the higher (upgraded) occupation class.

Key takeaway: Make sure the policy you buy offers the correct occupation class in your case. Make sure to specify what you do for a living, because the duties of the job are likely more relevant than your title. Use descriptive as opposed to general terms in explaining your material and substantial occupational duties. This will help ensure you are assigned the proper premium rate or even considered eligible for IDI.

"Own Occupation" Definition of Disability

In the disability insurance industry, "total disability" is defined in terms of whether you can no longer perform the duties of your own occupation versus any occupation (a.k.a. "own occc" and "any occ").

The "definition of disability" is the most important thing to understand when choosing a policy.

Own occupation coverage is specific to your specific profession. If you cannot perform the material and substantial duties in your own occupation due to illness or injury,

a. the insurance company will consider your occupation to be the occupation you are engaged in at the time of disability onset, and

b. the insurance company will pay the full monthly benefit amount for the full benefit period, even if you are gainfully employed in some other capacity. You will be eligible to receive your full monthly benefit regardless of how much income you are earning in another field.

"Specialty" Own Occupation: Some policies specify an insured's specialty duties of own occupation. This "specialty own occ" wording defines a medical, dental and sometimes a legal or other occupation, whereby the insurer is required to recognize your specialty practice as your "occupation."

> **Example:** your policy defines your occupation as a urology surgeon. If, due to a disabling illness or injury you can no longer do the essential skills and surgical procedures required in your medical specialty – not as a general urologist, but as a urology surgeon – you will be considered totally disabled under your policy. You would expect to receive full disability benefits, even if you continue to work at something else, and regardless of the duties of a more general practice such as assessing patients and performing diagnostic tests.

For this reason, Specialty Own Occ policies are marketed as superior insurance, as it should protect doctors, dentists, and other highly trained professionals from bad faith claim denials.

The terms "true" or "pure" are often tacked on to this label ("true own occupation") to verify that the policy is indeed what it implies, as many lesser versions of "own occ" exist that may sound ideal, but are not.

Own Occupation with limitations:

What follows are modified versions of own occupation definitions:

Own Occupation and not working – You are considered totally disabled if you are unable to perform the substantial and material duties of your regular occupation, and you are not gainfully employed. (You receive benefits only if you do not go back to work.)

Transitional Own Occupation is a form of own-occ coverage that is adjusted to account for any earnings you receive from a job you take while disabled. You will be paid benefits if you are totally disabled in your occupation but are working in another occupation. Limits on monthly earnings are capped usually to not exceed or to match the earnings from your former occupation.

Hybrid Own-Occupation/Any-Occupation policies are the least expensive and least protective form of own-occupation policies. They use a combination of Own-occupation and Any-occupation definitions. These policies generally begin as some form of own occupation, and after a set period of time (usually two to five years) the language changes to the any occupation definition, much like group disability policies do. The problem with hybrid "own occ"/"any occ" policies is that the insurer may grant benefits under the 2 to 5-year own-occupation period, but when the definition shifts to any-occupation they will terminate benefits because you are "able" to work in jobs other than your own.

"Any Occupation" Coverage:

- **Any Occupation** definitions of total disability veer away from your occupation altogether, and thus are rarely issued stand-alone as IDI coverage. Any Occupation policies define Total Disability as when your medical condition is so severe as to prevent you from working in any occupation, based on your education, training, and experience. So, if your insurance company finds that you have any amount of gainful work capacity, they will seek to terminate existing benefits or deny your initial claim.

Before any disability benefits will be paid on a claim, all contractual conditions must be met. So remember, it's not what the marketing material says when you bought the policy that governs how your policy defines total disability. It's what your actual policy definitions and terms state (or sometimes do not state) that will affect your claim.

! **Important to know:** Own Occupation definition is limited to select occupations within the top two or three occupation classes and can further be limited by industry, age, income, state of residence, and benefit period.

Key takeaway: Pure Own Occupation coverage comes at a higher cost, and therefore is not for everyone. It is high-end, designed to genuinely protect your income. Any variant of own occ decreases efficiency and will change that protection. So be aware! The definition of disability can vary a great deal, from a specialty own-occupation policy to a lesser hybrid own-occupation/any occupation contract.

Benefit Amount (Coverage Amount)

Also called the coverage amount, your policy will be issued with a specific benefit payment amount, such as $8,000/month. This figure should represent the amount you and your family need to live on if you are disabled from working in your profession. Companies offer monthly benefits ranging from 50–80% of your earned income, and most common are policies that pay benefit amounts of 60–70%. As benefit amounts increase, premiums should increase accordingly.

Waiting Period (Elimination Period)

Also called the elimination period, this is the span of time between when you first become disabled and when your benefit payments begin. All long-term disability insurance plans require a waiting period, which can vary from 30 days to two years or more. The most common elimination period is 90 days.
Make sure the wording does not require the waiting period in "consecutive days" of Total Disability. Most IDI policies do not require consecutive days, and many specifically state that the elimination period need not be consecutive (as long as they occur within the Accumulation Period.)

> **Example:** your policy has a 90-day waiting period that must be satisfied within one year. If you miss work for 45 days and then try to return to work and find out you are unable to sustain work, your elimination period would only be 45 more days.

The longer you wait for payments to start, the lower your premium. If you decide to go for a longer waiting period, be sure to have enough savings to cover you through that time. Also, weigh whether having benefits payable through age 65 is more important than trying to have a shorter waiting period.

Benefit Period (How Long Benefits Last)

The benefit period is the span of time during which the insurer pays you benefits under the terms of your policy. Benefit periods can range from two, five, or 10 years up to the age of projected retirement (65 to 70) and even beyond, based on your occupational class and the carrier. The longer the benefit period, the higher your premiums will be.

Partial/Residual Disability

Disabilities are not just a Total Disability situation. Most conditions do not materialize or vanish overnight. This important feature describes how you'll receive benefits if you are partially disabled and cannot work at full capacity. Your chance of becoming partially or residually disabled before or after being Totally Disabled deserves keen attention.

In some policies, partial/residual disability is a standard feature. If not, you should be able to add it to the policy via a benefit rider. Definitions of residual, partial, and total disability will vary with each carrier and between policies. The terms residual and partial are usually used interchangeably.

Most often, partial/residual disability is a "loss of income" provision. This means benefits paid in a partial disability claim are a percentage of the benefits payable in a total disability situation. The trigger for payment is the percentage of income loss, which is typically 15% or 20%.

> **Example:** your coverage entitles you to a maximum monthly payout of $10,000 if you are totally disabled. You sustain a disability which causes a 40% loss of your normal monthly income. You may be eligible to receive a monthly disability benefit of 40% of your policy maximum, or $4,000, without an initial period of total disability.

Sometimes partial/residual disability means "loss of time and duties." This refers to the inability to perform all of the duties of your occupation, in a reduced capacity or in a reduced amount of time. The trigger for payment is a loss of the amount of time you work and/or the loss of material and substantial duties of your occupation. This is less ideal for business owners and professionals whose income is not directly tied to the number of hours worked. "Loss of time and duties" language can confuse the determination of permanent partial disability or other forms of residual disability benefit levels.

Key things to get clarity on when considering a partial/residual policy provision:

1. As a "loss of income" provision, what is the percentage of income loss that triggers the monthly benefit? (Starting at 20% is most common.)

2. Does this provision require you to return to work in a partial capacity within your specialty, or are you to work in your current area of practice, or for that matter in any occupation?

3. As a "loss of time and duties" provision, must you be unable to perform all of the material and substantial duties of your occupation, or some of the duties of your occupation, in a reduced capacity or in a reduced amount of time (or both)?

Pre-existing Conditions Limitation

A pre-existing condition is any mental or physical condition that exists before the effective date of an insurance policy.

The pre-existing exclusion wording in your policy protects the insurer by preventing coverage for any illness or injury that existed, and that you knew about, before the start of your disability policy. When applying for coverage, explain all pre-existing conditions. If you don't disclose the pre-existing condition, your claim could be denied later. While you will pay more in premiums, the way to avoid the pre-existing condition exclusion is to purchase special coverage that allows for it.

If special coverage is out of reach financially, you can still get coverage that contains a pre-existing condition provision. This is built into most policies. The insurance company will exclude your pre-existing condition from coverage. If you have been dealing with cancer and apply for IDI, that cancer will be listed as a pre-existing condition and you would not be covered for it. The policy would cover disabilities not directly related to your cancer.

Policies are often written to exclude coverage of pre-existing conditions during a probationary period, generally one to two years from the policy's effective date. Other insurance providers apply very strict underwriting guidelines to avoid any risks of paying out benefits for pre-existing conditions in the long term.

Mental/Nervous Coverage

Mental and nervous conditions range from depression and anxiety to phobias, PTSD, bipolar disorder, dementia, as well as substance abuse and dependency. Insurers underwrite mental and nervous conditions differently. Coverage also depends on whether the mental illness is a pre-existing condition.

You generally have 2 options for coverage:

- Have a **mental illness limitation rider** added to the policy, giving you probably 2 years of coverage
- Purchase unlimited coverage.

Why are insurers reluctant to cover mental disabilities? Basically for three reasons:
(1) Mental and nervous disorders and their effects on one's ability to work are hard to prove or disprove, (2) the stressful nature of many high-income professions puts these insureds at a higher risk for claims, and (3) insurers consider many mental conditions more treatable than certain physical disabilities.

Other Risk Factors Affect the Cost of IDI

Your Medical History – medical conditions that can raise the cost of disability insurance
Age – the older you are when you apply, the higher the premium you can expect. The minimum age for applying for IDI is 18 years and the maximum age is generally 60.

Hobbies/Lifestyle – Insurers will consider hobbies and recreation in their underwriting. If you enjoy mountain climbing or piloting as a hobby or other hazardous activities, the insurance company may charge higher premiums or deny coverage altogether.

Gender – Disability insurance rates are, generally, higher for women – up to 40% higher. The insurance industry reports that statistically, women become disabled more often and have made more long-term disability claims on their policies than men, as a way of justifying the higher premiums.

Health – The carrier wants to know your medical history and current health status. Health issues are verified by a required medical examination as part of the underwriting process. Your doctor will likely be asked for an attending physician's statement. Typical conditions under scrutiny include diabetes, hypertension, high cholesterol, sleep disorders, and mental/nervous disorders. Tobacco use will affect your premiums, and there is a classification for that.

State of Residence – Long term disability insurance rates vary with every state; this is largely due to some states having tougher regulations as well as higher living costs. Lower vs. higher rates are also the result of an abundance vs. a lack of regional competition.

Graded vs. Level Premiums

Some insurance companies structure the policy where the premium you pay is the same amount for the life of the policy. This is called a level premium, and you would pay the same amount in your first premium as you will as long as you own the policy.

In the level premium scenario, the thinking is that it's easier to budget for a payment that is always the same, plus you expect that your income will increase. Most level premium policies guarantee a level premium cost until age 65 or retirement age.

Another option is for new medical residents, interns, or other professionals who are just starting out. This structure is called a "graded premium" that costs less to begin with, and premiums gradually increase over the life of the policy. The benefit is that you pay less for coverage as you're paying off student loans, and as time passes and premiums increase, your earned income would also grow.
Some insurance providers let you change from a graded premium to a level premium, so this is another option to ask about.

Look for Discounts

You will often find discounts on disability coverage from various insurance providers, which can add up to substantial savings. Some insurers specialize in discounts specifically for medical and dental professionals, residents, and students, as well as attorneys and a few other white-collar type professions. Insurance agents and brokers often build relationships with companies to be able to offer special discounts to customers.

- **Special Offers** – Insurer may run "specials" for certain occupational classes to boost sales.

- **Association Discounts** – Professional associations may offer members coverage at discounted or group rates

- **Medical Residents** – Insurers may offer medical residents discounts

- **Unisex Rates** – Disability coverage for women is much higher than for men; as an upsell, insurers may offer "unisex rates" where the costs are equal for both genders.

- **Multi-life programs** – If three or more people apply for disability insurance under the same agent, a discount may be available. Example: You and two other doctors working at the same hospital all apply within a few months of each other; you may all receive a discount on your policies through that agent.

- **Discounts on Annual Premium Payments** – Insurance providers often let insureds schedule payment annually instead of monthly, which can add up to 3 to 4% savings.

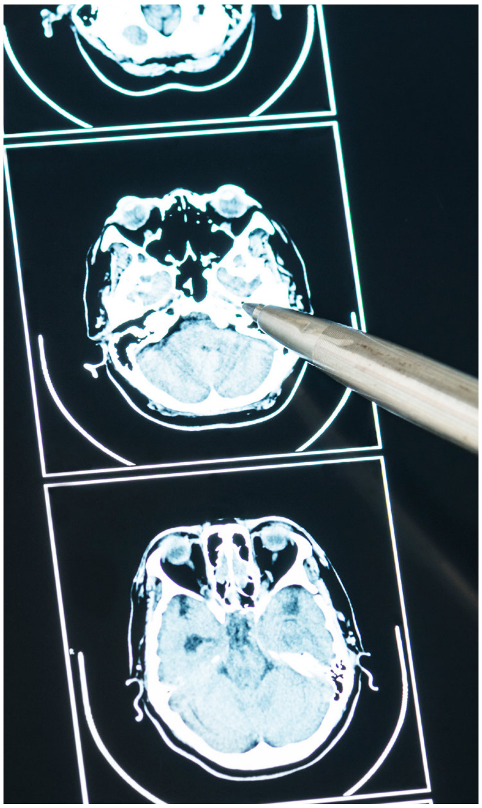
Disability Insurance Riders

When you understand the features and limitations of your policy, then you're able to add options or adjust features that make sense for you through riders. These are added when you first buy your policy. Some riders come at no cost, some riders will definitely raise your premiums.

The most common disability riders are listed below; each is explained in the following section.

- Cost of Living Adjustment (COLA) Rider
- Non-Cancelable and Guaranteed Renewable Rider
- Waiver of Premium Rider
- Guaranteed Insurability Rider
- Automatic Benefits Increase
- Own-Occupation Total Disability Rider
- Partial/Residual Disability Rider
- Mental/Nervous & Substance Abuse Limitation Rider
- Student Loan Rider
- Catastrophic Disability Rider
- Retirement Protection Rider

3. CUSTOMIZE YOUR POLICY WITH RIDERS



Each rider covers a specific risk associated with being disabled. Various riders may be important for your situation, and others may not fit your needs.

Cost of Living Adjustment (COLA)

If you file a claim and begin collecting benefits, the COLA rider allows your disability benefits to increase over time to keep pace with inflation. Payouts typically begin after you've been disabled for 12 months. Insurers pay this benefit in two ways: (1) as a fixed percentage increase (such as 3% annually), or (2) applying the Consumer Price Index with a minimum and maximum cap (e.g., 1%–6%). The younger you are, the more important this rider may be. If you become totally disabled at age 30 and your coverage is never adjusted for inflation, over the years your payout would eventually be less than satisfactory. Conversely, someone shopping for insurance while in their 50s may not want this rider.

Non-Cancelable and Guaranteed Renewable Rider

This provision guarantees that, once the contract is in force and you continue to pay the premiums, the insurance provider cannot cancel your coverage, raise your premiums, alter your monthly benefits, or change the policy benefit duration. The rider should ensure that if your income is for some reason reduced, you are still covered by the total disability benefit. The rider should also ensure portability, meaning if you change jobs, the coverage follows you, even if you enter into a more hazardous or a lower-paying line of work.

Waiver of Premium

This rider states that, as long as you are disabled and receiving benefits under your policy, you will not be required to pay the premium. Remember that insurers and policies will vary in their definition of disability, so you need to review the policy language carefully. Waiver of Premium riders can vary on how long the insurer will waive the premium.

Specialty Own Occupation:

within many own occupation riders is "specialty own occ" wording that further defines and narrows what your occupation is, assuming you are practicing full time in a recognized specialty.

Guaranteed Insurability Option

(a.k.a. "Future Increase Option" or "Future Purchase Option") This rider allows you to buy additional insurance protection (increasing the disability benefit amount) at established future dates, without any underwriting needed to justify the increase. It is also referred to as "Future Increase Option" or "Future Purchase Option."

A guaranteed insurability provision enables you to buy a policy while you're young, maybe just out of school, or still in residency, and you have a limited income. This is when insurance premiums are most affordable, as young age correlates with best health. You expect your income to grow and you want to add more coverage once you're earning a competitive salary, with no further underwriting.

Own-Occupation Total Disability

If a base IDI policy does not include an "own occupation" definition of disability, you may need to add this feature as a rider. Own Occ is available to certain occupation classes, to elevate the policy's definition of Total Disability. You are considered totally disabled when injury or illness prevents you from being able to perform the duties of your own occupation. You are able to receive your full disability benefits, even if you are gainfully employed in another occupation.

Partial/Residual Disability Rider

If a disability prevents you from going back to work on a full-time basis, partial disability insurance riders allow you to return to work part-time and receive partial benefits. For most high wage earners this rider is considered essential. If you are too ill to work full time but are not totally disabled, this option allows you to collect a payout while working at a reduced schedule. If your income depends on billable hours or the number of procedures you perform each day, this rider would be well worth having. If physical and occupational rehab is needed, partial or residual disability insurance lets you transition back into the workforce, allowing time for recovery. Some residual riders will pay benefits even if you are working full time. As previously mentioned, you need to know the percentage of income loss that sets off the payout, and whether you must go back to work within your own occupation, or in any occupation.

Mental/Nervous and Substance Abuse Limitation Rider

Each insurer has underwriting guidelines regarding mental disability coverage. Like any other disabling condition, a mental or nervous disorder is either a pre-existing condition or it developed after you bought the policy and your coverage began. You will need to study the policy's language to know whether pre-existing conditions or exclusions apply. Also, your state's insurance laws may determine that a mental/nervous rider is optional or required. Most carriers will offer limited coverage (2 years or less) for mental health/nervous disorders/substance abuse in the form of a rider. Look or ask for a mental illness limitation rider or mental/nervous and substance abuse limitation rider. Other insurers may offer coverage to higher occupation classes without a limitation rider. For those who qualify, options for full coverage exist if you want to pay higher premiums. The main thing is to weigh the value in your case for having unlimited coverage or not, and deciding if it's worth paying for.

Student Loan Rider

As you begin your career, your income is just getting started and your unpaid student loan is at its highest. At this stage of the game, you are most vulnerable financially. A student loan protection rider adds on coverage to the benefit amount that goes toward your student loan payments. This rider provides additional coverage (generally up to $2,000-$2,500/month) over what you might otherwise qualify for based on your income. Riders can often be tailored so that coverage goes directly to the loan provider. Different companies will schedule student loan riders for different durations, such as 10 or 15 years.

Catastrophic Disability Rider

The most severe disabilities can cause extraordinary financial hardship. Catastrophic disability benefits provide additional monthly coverage– up to 100% coverage– if you become so severely disabled that you are unable to perform two activities of daily living, such as bathing, or being able to sit, stand or walk, or you suffer a complete loss of hearing or vision.

Retirement Protection Rider

If you become disabled and cannot contribute to your retirement, this rider pays funds into an irrevocable trust managed by the insurer. This money is paid to you when you reach retirement age. You can look at this rider from different angles. You might be better off investing that money in a true retirement account or applying it elsewhere.

4. SUPPLEMENT EXISTING DISABILITY COVERAGE

Do you need to supplement a Group disability policy issued through an employer?

What begins as own occupation definition will change to any occupation.

If you have a group long-term disability plan, you may hope it's enough to protect you. And perhaps it is. But don't get too comfortable with the convenience of group coverage. You need to look at the real conditions of your workplace coverage, and what you genuinely need to sustain your current lifestyle if you become disabled. You can find various forms of supplemental disability policies to cover the gaps. One of the main differences between group and individual coverage is the definition of disability. Disability is defined not for you specifically but for a group of people in various job situations, and at diverse ages and health conditions. What begins as own occupation definition will change to any occupation.

With most group plans, once you file a claim and benefits begin, after the first 12–24 months the "own occ" definition shifts to "any occ" and your coverage changes dramatically. A consequence is that benefits are often terminated at that time. This is a definite weakness of most group disability insurance plans and some lesser IDI policies.

Another reason to supplement your group plan is the tax factor. If your employer pays the premium, then the benefit is taxable. Most group benefits pay 60 percent of your income. If your annual salary is $130,000, that's about $10,800 a month. If your disability benefit is 60%, you would collect about $6500 per month as your disability payout and that is taxable. That would be less than $5000 after taxes. This amount would also be offset by Social Security Disability payments you receive. That would be a good reason to supplement.

A third reason to supplement a group disability plan is the frequent difficulties insureds face when trying to collect on a claim. The laws governing group coverage are stricter and tend to favor insurance companies, not the claimant. Many group claims are unreasonable denied or underpaid. Physicians, dentists, lawyers, and many other skilled or highly paid professionals invest a great deal of time and resources to train for and establish their careers. Having an appropriate IDI policy to protect you makes sense in these cases.

The following table is a side-by-side comparison of the main differences to expect between group and individual disability policies.

GROUP DISABILITY VS. INDIVIDUAL DISABILITY INSURANCE

Group Coverage	IDI Coverage
Group coverage is generally purchased and sponsored by the employer. In some cases, you may contribute to the premiums.	You purchase Individual disability coverage completely on your own.
Group coverage is tied to your employment and is based on your W2 income or base salary.	IDI is not in any way tied to an employer.
Group plans are underwritten for a general group of employees, which means much lower cost to the employer and with less extensive benefits to the employee.	IDI policies are individually underwritten, meaning coverage is much more extensive and tailored to the policyholder.
If you change jobs, the coverage is not portable.	An individual policy is yours and goes with you wherever you work.
Benefits are "fixed." Bonuses, commissions, and other incentives are rarely included.	You add optional benefits (riders) to increase disability income coverage to suit your needs.
In most cases, group disability benefit payments are offset by Social Security Disability and certain other benefits – meaning the amount your collect from SSDI and other sources will be subtracted from the amount you are scheduled to receive under the group policy. (You will receive the same total amount of monthly benefits, but the money will come from two sources.)	Unless specifically stated in your policy's wording, individual disability policies do not coordinate with Social Security Disability or other public benefits; you would not be subject to a reduction if you also receive Social Security Disability benefits.
In matters of dispute and claim denial, your rights and remedies are severely limited under Federal law.	In matters of dispute and claim denial, you have strong individual rights and remedies under state contract and insurance laws.
If your employer covers the premiums, benefits received are taxable.	Benefits received on a policy you buy personally are not taxed.
Group plans are controlled by the employer, meaning a policy can be changed or terminated at any time.	As long as premiums are paid, IDI policies are owned and controlled by the policyholder.

Do you need to supplement disability policy offered through an association or organization?

Disability coverage sponsored by professional associations typically falls under the same general description of group disability plans. The difference is, as the insured, you pay membership dues to take part in a group plan, or you purchase coverage through the sponsoring professional association. In many cases, the association owns the policy, which means they can change it, cancel it, and increase premiums. Coverage under an association's program will generally have more restrictive provisions than true own occupation IDI. You may find that some important features are missing or lacking, or that you have to pay an annual membership fee to be eligible for benefits.

Most sponsored policies will not offer true own-occupation coverage, although the wording used sounds like it could be. For example, the American Medical Association (AMA) offers a product called "DisabilityPro Own-Specialty Disability Insurance." That sure sounds like ownoccupation. But when you read through the policy, you find out that, if you decide to work elsewhere while disabled, your benefit payment could be reduced or eliminated, and you could be considered partially/residually disabled.

Other professional groups partner with insurance agencies that sell specialty disability policies to members at exclusive rates. An example is the American Dental Association (ADA), which partners with Great-West Life Assurance Company.

If you currently rely on an association's coverage, it pays to review the entire plan to see if it makes sense to shop for supplemental disability coverage.

Here's what to watch for in association-sponsored disability insurance:

- Who owns the policy?
- Does it offer a true "Own Occupation" definition of Total Disability?
- Is the policy Non-Cancelable and Guaranteed Renewable?
- Does the policy offer a Cost of Living Adjustment?
- How many days are required to meet the elimination (waiting) period? Are those days consecutive?
- Do you need to be totally disabled before you can collect Residual Disability Benefits?
- Does the policy adequately protect the option for Future Benefit Increase?
- Does the policy require both a loss of income and that you are totally disabled beforeyou can collect benefits?
- Does the association offer worthwhile discounts or rate reductions?
- If you had to file a claim against the policy, what laws govern the claim: ERISA or state insurance laws?

Things become complicated when coverage is through a professional association, where rates, sponsorships, memberships, and other stipulations apply. A qualified legal review is required to know the difference.

5. SHOULD YOU EVER MODIFY OR DROP YOUR DISABILITY POLICY?

We all may reach a point when canceling a policy may be the right thing to do, such as:

- reaching financial independence
- we're near retirement and our need for disability insurance is greatly reduced orunnecessary
- we're currently covered by group disability, and new employment offers better groupdisability coverage we're having a tough time paying premiums

If dropping a policy, here are some things to think about in your decision making (in accordance with your financial advisor):

Once an IDI policy is canceled, that coverage is gone and all paid premiums are forfeited.

- If you change your mind you would have to reapply and start over.
- If you're leaving one group policy for another, compare the two. Remember to look at tax consequences and whether bonuses and commissions are included.

Reasons to modify coverage:

- If you're having trouble making payments, review your policy and see if you can drop some riders (such as COLA if you are well into your 50s) or any riders that you feel are no longer important.
- If you have a policy that is a lifetime policy, you may be able to reduce it to an age 65 benefit period; likewise, if your policy is to age 65, you might reduce it to a 5-year benefit.

Remember that once you reduce benefits or a benefit period, reversing such changes would probably involve medical underwriting.

6. DISABILITY INSURANCE BUYER'S CHECKLIST

IDI Policy Checklist	
1. What Is Your Occupation Class?	Underwriters assign occupation classes based on their perception of occupational risk. This affects the level of coverage available to you, and at what cost.
2. Look for an "own occupation" policy	There are true own occ policies and specialty own occ policies–and then there are modified, lesser versions of own occupation policies. For many people, it's essential to buy a true own occupation policy; it may not be the right choice for or available to others.
3. Benefit Amount:	How much will your benefit payment be? Most companies offer monthly benefits from 50% to 80% of your income. Shoot for a minimum of 60%, and expect to pay from 1% to 3% of your annual earning in premiums.
4. Waiting Period:	When will your disability benefit payments start? Think about how long you could wait before your monthly benefits begin. Known as an elimination period or waiting period, this will affect your premiums
5. Benefit Period:	How long will disability benefit payments last? Insurers will offer various benefit periods, as brief as 2 or 5 years, or until retirement, even to age 70 and beyond.
6. Partial/Residual Disability:	If you are only partially disabled, will the policy cover you, and how?
7. Pre-existing Conditions:	Policies are written to exclude coverage of pre-existing conditions during a probationary period, typically one to two years from the policy's effective date.
8. Mental/Nervous Coverage:	Some IDI carriers restrict coverage for mental and nervous disorders. This also includes substance abuse/dependency.
9. Other risk factors	Age, Gender, Health, and State
10. Graded vs. Level Premiums:	Graded premium policies cost less to begin with, and premiums gradually increase over the life of the policy; with a level premium, you pay the same amount for the life of the policy
11. Discounts:	Research possible discounts or ask your agent.
12. Disability Riders: • Cost of Living Adjustment (COLA) Partial/Residual Disability • Non-Cancelable / Guaranteed Renewable Mental/Nervous & Substance Abuse imitation • Waiver of Premium Student Loan • Guaranteed Insurability / Future Increase Catastrophic Disability • Own-Occupation Total Disability Retirement Protection	

II. WHAT TO EXPECT WHEN YOU FILE A DISABILITY CLAIM UNDER YOUR POLICY

Understandably, policyholders may have unrealistic expectations of the contract they purchase. Throughout the buying experience, the consumer is dealing with positive terms like "benefits" and "specialty own occupation" and "guaranteed insurability." After years of paying premiums for a customized policy based on these concepts, it's no surprise they are shocked when their claim is denied.

7. EXPECTATIONS VS. REALITY

What policyholders don't realize is that many insurance companies routinely deny legitimate claims. An insurer's financial objectives are to protect its investments and keep claim costs low. For many companies, this includes paying out as little as possible on claims, even valid ones.

An insurance adjuster's role includes finding reasons to deny a claim outright, or ways to reduce the potential value of the claim. They are looking for an out. Insurers also know claimants are going through hardship where stamina is low and worry and stress are high. They deny valid claims hoping the insured will resign themselves to the denial and give up.

Why would an insurer wrongfully deny a claim on the policy they sold you (and risk bad publicity?)

Because IDI policies are highly customized, claim payouts can be massive. Imagine an insurance company has 100 claims to pay, and they succeed at denying 50% of them. That's millions of dollars they do not have to pay. From the insurer's standpoint, it is to their financial benefit to deny or underpay a large percentage of valid claims—even if they end up in litigation, and are forced to pay damages and risk bad press.

It's important to think about the "other" side of disability insurance, which is the claim side. If you become disabled and file a claim, what should you expect? The following illustrates the disability claims process and the different directions a claim can go.

8. PHASES OF AN IDI CLAIM:

Initial Application:

When filing a claim for LTD benefits, the initial application is crucial. Filing begins with requesting the application forms for disability benefits from your insurance company. The application must be carefully completed and submitted within the timeframe specified in the policy. You must also take an Attending Physicians Statement to your doctor to complete.

If Your Claim Is Approved:

The importance of monthly claim handling:

When a claim is approved, many people think they are all set to continue receiving their monthly benefit payments until they reach the end of the policy's benefit period. This is not the case. Long term disability benefits can be terminated at any time at the discretion of the insurance company. Just as with initial claim denials, insurers seek opportunities–valid or not–to withhold or cancel benefits on approved claims after monthly payments begin. The insurer now requires ongoing proof that you remain eligible for disability. This means that you submit to periodic LTD eligibility reviews. The best solution is to retain the service of a law firm that provides ongoing benefit protection services, where your disability claim is continually updated and fortified to keep benefits in place.

What to do if the company offers a lump sum buyout.

At some point during the claim, your insurance carrier may approach you with a lump-sum buyout offer. This is a one-time fixed payment also known as a lump-sum settlement or a policy buyout. The insurer pays you a percentage of the remaining value of your claim. The lump-sum payment replaces the continuing monthly payments. While a buyout involves a large sum of money, it will never amount to the total benefit paid over many years. You want to be very careful here. Disability insurance buyouts or settlements always call for experienced legal analysis and guidance. Each disability insurance company has its protocol on buyouts. An insurer's underlying reason for the offer is always to save money. While receiving such a large sum of money is appealing– especially in dire times– a lump sum settlement offer from the insurance company can be either risky or beneficial for you.

If you do elect to take the buyout, the agreement must contain the right legal terms and conditions that will protect you. An insurer's first proposal of a lump-sum buyout rarely includes anything that protects the insured. It is drafted to protect the carrier. With so much money on the line, attorney counsel is key.

! Important:

IDI claim denials are covered by state insurance and contract laws. What applies to all state law claims is that you should give your insurance company every opportunity to do the right thing and put it in writing.

If litigation is necessary, most states have multiple remedies available.

If your claim is denied:

With individual disability insurance, the process you follow is determined by the terms of your policy. This will vary between insurance companies and the policies they offer.

The policy may allow you to:

- file a lawsuit immediately to pursue benefits; or
- you may be required to go through an administrative appeal process before taking any other action.

The Administrative Appeal

When an appeal is called for, there are time limits to follow stated in the policy. The entire administrative appeal procedure can take up to a year to complete. In the appeal, you need to isolate the best evidence that will support your claim. This involves medical records, doctor's opinions, vocational records, functional capacity evaluations, appropriate third party statements, and in certain cases psychological and neuropsychological testing,

You also must prove the economics of your case. For example, insurers will deny claims filed by physicians under an own-occupation policy by classifying the doctor's work as a generalist rather than a specialist. The insured would have to prove this is false, and that the disparity in income that would result is unjustified.

Most cases require working with medical, vocational, and financial experts to fully understand the issues to support your case.

That is good news. Because private disability insurance policies are governed by state law, you have far more legal recourse than you would fighting a group disability claim denial, which is subject to strict ERISA law.

State insurance and contract laws provide much better consumer protections and remedies, much like you would under your privately purchased homeowner's or life insurance policies. Many states require that you put your grievances in writing and establish a certain amount of time that must be given for the insurance company to comply. If the insurance company fails to comply with your requests by the statutory deadlines, you probably have many extracontractual remedies available to you.

These contractual remedies include causes of action for:

- Breach of contract
- Bad faith
- Punitive damages
- Mental anguish or consequential damages
- Loss of credit
- Deceptive Trade Practice Act damages
- Insurance Code Violations
- Attorney fees

9. TOP 10 MISTAKES PROFESSIONALS MAKE WHEN FILING DISABILITY CLAIMS (AND HOW TO AVOID THEM)

1) The Initial Application for Disability Insurance Coverage Is Inaccurate.

When first purchasing a policy, you apply to the insurer and go through underwriting. Once the policy is issued and later you file a claim for disability benefits, the insurer will base its decisions on various things—and one step is to systematically search for anything that might be a misrepresentation in the initial application. An omission can easily be taken as a "hidden" condition. Any misstatement or misrepresentation they turn up can open the door to questions and claim denial.

Action: Take your time with the application. Verify the information you give the insurance company is 100% accurate and complete at the time of submitting for underwriting. List any pre-existing or chronic conditions and existing injuries. Be accurate with dates. When your application is approved and the policy is issued to you, review the application again for mistakes. Keep a copy in your files. The initial application is that important.

2) The Initial Claim for Disability Benefits Is Insufficient.

The disability claim form itself can be a trap. A successful claim is deceivingly complex, largely because the insurer's application forms are misleadingly brief. They appear very cutand-dried with no room to flesh out any kind of proof of disability. Questions are vague and don't allow for an appropriate response. So when filing a claim, most people go no further than filling out the insurer's application forms, checking boxes, and sending requested documents.

Action: To win benefits, you need to prepare the strongest application possible for proving you are disabled – one that your insurer cannot easily challenge or deny. Your claim needs to include all of the evidence, facts, and narratives that will support your disabling condition and prove that you cannot work because of that condition. You are not confined to the insurer's minimalist forms. Present your evidence as attachments in an organized manner that walks the claims examiner through a persuasive story of why you are disabled.

3) The Physician's Statement Portion of the Claim is Insufficient.

Often the treating physician's statement that the insured is unable to continue working is not stated strongly enough to withstand an insurance adjuster's challenge. The Attending Physician Statement is one of the most influential factors in your disability application. One wrong or weak statement on the form or one behind-the-scenes phone call from the insurance company to the doctor can sink a claim. Your physician's statement needs to connect the dots between your impairments and how those symptoms prevent you from being able to perform the duties of your occupation. But like the disability claim application, the Physician's Statement form inhibits the doctor from submitting a complete assessment.

Action: Again, do not let the brief form you're given stifle your responses. Work as closely as you can with your doctor to include the details of diagnosis, treatment, level of functional impairment (physical and psychiatric), and return to work expectation. Help your doctors understand the physical and mental demands of your work. One of the best things you can do is have regular, ongoing medical treatment. Without documentation of routine compliance with your doctor, the insurance company has a way to discredit your claim based on non-compliance. An insurer will spin this as "refusal of treatment" to allege you are not complying with your doctor's advice, and therefore will deny benefits.

4) Thinking You Have a True "Own Occupation" Policy when You Do Not.

This usually happens when an insured does not carefully review his or her policy prior to filing a claim. It may be 10 or 20 years since you bought your policy. Now you've suffered a disability and file for benefits. At the time you bought coverage, you indicated you wanted a true own occupation definition of disability. But the insurer either omitted it or inserted a modified version of own occ that you either didn't detect or didn't understand. Terms and phrases used in a policy are never accidental and are just one more way for insurance adjusters to limit or deny coverage.

Action: When buying a policy, do not rely only on your agent's portrayal of coverage. It's up to you to make sure the language within your contract is what you intended. As soon as your policy is issued, don't just file it away. Instead, closely inspect the wording and understand the policy's actual definition of total disability. Always review your policy closely as part of your claim filing process. If there is any provision you do not understand, call a disability attorney for clarification.

5) Cutting Back On Hours and Duties before Filing for Disability Benefits.

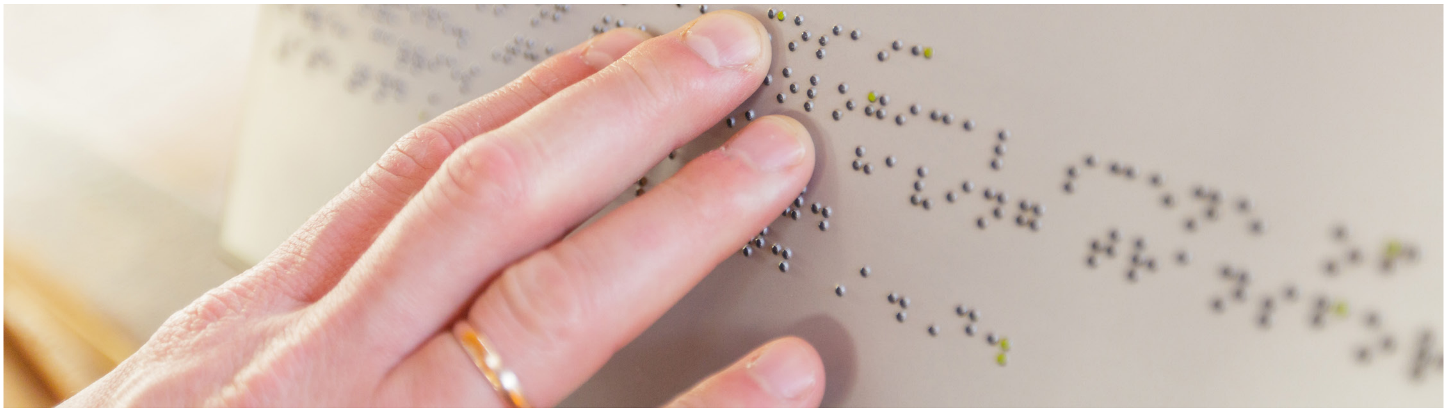
Many conditions are progressive and come on slowly. Trying to fight your way through this type of pain or illness, you continue working. But to do that, you start working fewer hours each week. Over time this adds up, giving the insurance carrier a chance to say you have changed your occupational duties or no longer have a full-time practice. Some policies state you need to work a certain number of hours to maintain coverage. This leads to arguments that you are not totally disabled, and can reduce or invalidate the amount or duration of benefits you would otherwise be due.

Action: Depending on the policy you have, reluctance to accept a gradual disability and continuing to work through the pain can jeopardize a claim. If you're thinking about reducing work hours, make sure you protect any potential disability claim you may have. Attorney consultation can help you understand your disability policy, and how adapting or limiting your work schedule or earnings can impact a potential claim.

6) Ignoring that You May Be Under Surveillance

A favorite tactic of disability insurance carriers is to videotape or photograph professionals who have filed for disability insurance benefits. For example, you leave your home to go to your doctor and then stop by the grocery store; you walk down the driveway to take out thegarbage; or, you toss your dog a tennis ball for 30 seconds. Surveillance can also include social media. They are trying to catch you doing something that you stated in your application you can't do as a way to deny benefits. Investigators may record hours of videotape they then edit down to portray one or two minutes of activity that the insurer can use to invalidate your claim.

Action: Be prepared for surveillance. It is a common strategy and insurers spend a great deal of money on it. So first, be aware it exists, more than one might think. Second, be upfront with your insurer about your conditions. Third, either close down your social media or employ strict privacy settings. Be aware that a simple comment or photo can be twisted in a way that works against you. Most important, a disability attorney will have the ability to legally refute false assertions, misleading footage or photos, and unfair denials caused by surveillance, as well as ensure that your insurance company is obeying the law while conducting its claim investigation.



7) Using Absolutes to Describe Your Limitations.

Example: On your disability claim, you state, “I cannot use the stairs anymore.” The problem is, the insurer has just taped you climbing the 4 steps to your front porch.

Action: When describing your physical limitations, on your application for your policy, and on a disability claim application, do not use absolutes like “always” and “never.” Statements like “I can never lift 10 lbs.” or “I always require a cane to walk” can easily be contradicted. Instead use words like “frequently, sometimes, occasionally or seldom.” Once you are contradicted, either in your own medical records or on video, you are branded a liar and nothing you say will be believed. This is a favorite insurance company tactic.

8) Failing to Meet Policy Deadlines

Deadlines in a contract are agreements to be met. Missing a deadline will invalidate a claim or an appeal.

Action: Before you file for benefits, review your policy so you are sure to meet all deadlines. You must submit your application for disability benefits within a certain time stated in your policy. If your disability claim is denied, you usually have 180 days to appeal.

If your appeal is denied, you have a limited amount of time to file your lawsuit which can vary from state to state or be further limited under the terms of the policy. While this falls on your shoulders, keep in mind a strategy of your own. Has the insurance company engaged in bad faith delays or obstructions in their handling of your claim that might have caused you to miss a deadline, or to submit hurried or flawed forms?

9) Failing to Provide Compelling and Objective Evidence of Your Cognitive Impairments

Professional occupations involve high cognitive demands such as complex decision making, quick thinking, concentration, and executive functioning. Proving a decline in one's intellectual functions can be of the utmost importance when establishing disability under an own occupation policy. Certain high-level professionals can be rendered disabled with only a small decline in mental acuity. You might manage fine with everyday activities, but not in performing your specific duties as a surgeon, CEO, or trial attorney, etc. Without objective medical documentation, disability insurers will often downplay claims based on memory problems, lack of concentration, or trouble thinking as simply a matter of "self-reported symptoms" and will dismiss them as unsubstantiated.

Action: Do not minimalize the importance of documenting cognitive dysfunction with objective medical evidence. To prove your cognitive impairment, you need medical records, reports from your treating doctor, and results of cognitive examinations which may include neuropsychological testing.

10) Failing to Consult with a Disability Attorney.

Insurance policies are complex even for experienced professionals. Few lawyers have the training, experience, or patience to unravel the language and terms. Insurance companies capitalize on this. When you file an insurance claim on your own, you are a solo claimant going up against a sophisticated, powerful organization. Policyholders have no idea of the level of rules, procedures, and evidence and it takes to submit a claim that will (1) prove total disabilityand (2) compel the company to pay. Without attorney representation, trouble can start before a claim is even submitted. Part of an insurer's claim handling process may be to ask you to submit information or sign releases for certain types of information that may later be used against you. Too many claimants comply without hesitation to insurer's pre-claim requests.

Action: Because bad faith denials are common, it is advisable to consult with an experienced disability insurance lawyer before filing your initial disability claim. It is a must to consult with one as soon as you receive notification your claim is denied.

SUMMARY

When you're claim is handled unfairly, you can fight back and win!

We welcome your phone call or the opportunity to speak with you in person to answer any questions you may have about your disability coverage or case without charge, no matter where you are in the process. Whether you have questions about your policy, you were denied disability benefits, or you're just now filing a claim – the right legal guidance can make the difference in your case.

Everything considered, disability insurance is more complex than most other forms of insurance. When you're shopping for coverage, you find out that disability insurance has a language all its own. Wording and definitions are used to create coverage, define risk, and determine cost. You will have multiple policy options to sort through, of which most consumers have little awareness. No two carriers offer the exact same disability insurance product.

When it comes time to file a claim for benefits, your policy's wording and the insurer's approach to claims handling can have drastic consequences. Your insurer is not always looking out for you. You begin to understand possible conflict of interest because the insurer that sold you the policy will decide whether you are disabled. If they deny the claim, that same insurer will decide your appeal, and is always prepared for litigation.

The earlier you consult a disability claim attorney, the better off you are in your claim for benefits. Representation by a lawyer immersed in insurance law and who deals routinely with the major insurance companies is critical to not only obtaining benefits initially but keeping benefits into the future.

ABOUT THE AUTHOR

Marc Whitehead is the founding partner of Marc Whitehead & Associates, which he established in 1992 in Houston, Texas. Born on November 24, 1966, in Memphis, Tennessee, Marc was raised in Normangee, Texas and graduated in 1985 from Normangee High School as class valedictorian.

Marc attended Texas A&M University where he graduated in 1989 with a Bachelors of Business Administration in Finance. Marc attended the University of Houston Law Center and received his law degree (J.D.) in 1992, graduating in the top quarter of his class. He was admitted to the State Bar of Texas in 1992 and is admitted to practice before all U.S. District Courts in Texas, the United States Court of Appeals for Veterans Claims and the United States Court of Appeals-Fifth Circuit.

Marc Whitehead served as President of the Houston Trial Lawyers Association (2009-2010), is a member of the Board of Directors of the Texas Trial Lawyers Association, and a member of the American Association of Justice. Marc is also a member of the Texas Aggie Bar Association, the Texas Association of Civil Trial and Appellate Specialists and the Houston Volunteer Lawyers Association. Marc Whitehead is a Past Chairman of the Houston Bar Association Social Security Section and is a frequent lecturer on the topic of Social Security and Disability Law.

**Any questions about your Multiple Sclerosis disability?
Feel free to give our office a call at 713- 228-8888 or
email Marc atMarc@marcwhitehead.com.
Please visit our website at DisabilityDenials.com.**