

“Seamless” Disability Protection
By Allan Checkoway, RHU

Unfortunately, too many people discover the inadequacies of their Disability Insurance programs after they’re already facing a lifelong disability. Insuring clauses and policy terminology can make it difficult to truly understand the benefits. It’s recommended that professional advisors reduce their recommendations to everyday consumer terminology.

Let’s first establish some basic criteria for the most liberal Disability program a business can own. Considering the disability claims paid by the leading Disability Insurers, there are literally hundreds of causes of long term disability, either sicknesses or accidents. There are five basic claim categories associated with long term disability. Disability claims will always be one of the following:

- Total disabled only
- Partially disabled only
- Totally disabled, then partially disabled
- Partially disabled, then totally disabled
- Any combination of total and partial disability

Let’s evaluate how to accomplish this ambitious objective, providing “seamless” coverage that protects the insured against all of these occurrences.

TOTAL DISABILITY DEFINED

The heart and soul of any disability contract is the definition of total disability. The most liberal and popular form of coverage is protection that insures you in your regular occupation. With a true “own occupation” to age 65 definition of total disability, you can expect to receive own occupation income protection benefits, when able to work part time at a reduced income.

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RESIDUAL/PARTIAL DISABILITY DEFINED

Since not everyone becomes totally disabled, the disability insurers developed a benefit to satisfy the needs of insureds who are able to return to work partially disabled. When an insured suffers an income loss of at least 20 to 25 percent or more (and cannot perform one or more important daily duties of his occupation, or cannot work the usual number of business hours) then benefits are paid based on the percentage of lost income.

Originally, when insurers developed residual (long-term partial) disability coverage, they typically required a prior period of total disability, before residual benefits would be paid. If an insured suffered a gradually debilitating disease, such as multiple sclerosis or cancer, without suffering a prior total disability first; residual benefits would not be paid. A “zero day” residual disability benefit solves this problem by not requiring any prior days of total disability before partial benefits are payable. An insured can satisfy their policy waiting period with any combination of total and/or partial disability days.

**Avoid Disability Coverage That
Requires a Prior Total Disability at all
Costs!**

“Seamless” disability coverage insures you for either total or partial disability benefits, with benefits beginning after any combination of total and/or partial disability days. By combining “zero day” residual disability benefits, with an “own occupation” definition of total disability; we create the most desirable form of “seamless” disability protection.

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