

Long-Term Disability

Long-term disability insurance is meant to protect people who find themselves unable to work for more than twenty-six weeks. It typically replaces between 50-70% of your income if you become disabled and unable to work. The "salary" is set when the policy is purchased. You will likely want to increase the value of the plan as your compensation increases. Merely owning such an insurance policy does not guarantee that the expected benefits will be distributed, however, as insurers frequently deny seemingly valid claims. There are many questions to consider if you are thinking of filing a long-term disability claim. This guidebook will outline very generally the types of long-term disability insurance policies, and ways in which attorneys can help ensure you receive the benefits you deserve.



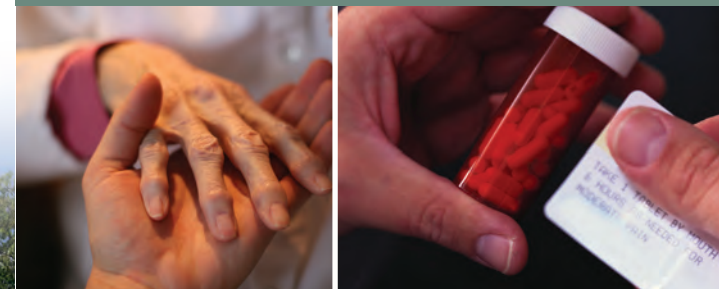
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How Do I Obtain Long-Term Disability Benefits?



What Types of Coverage Are There?

You can purchase an individual plan, or you can be covered by your employer's plan. If your employer provides coverage, your policy is governed by ERISA, a federal law governing employee benefit plans. You may be able to supplement what your employer provides. There are significant differences between plans you purchase and plans provided by employers. For example, only payouts from an employer's policy are subject to taxes, but those plans are generally less expensive to obtain.

If you have an individual policy and your claim is denied, you may sue your insurer for breach of contract. If you are covered through your employer, you are likely limited to appealing the benefit determination through the ERISA procedure established by federal law. This may require you to appeal directly to the same insurer that denied your claim. If your appeal to the insurer is denied, you may file a further appeal in federal court.

Policies can be "guaranteed renewable" and "noncancelable." Guaranteed renewable means the insurance company cannot drop the policy, except for non-payment of premiums. Noncancelable means the premium may never be raised. This is the preferable type of policy.

Long-term disability policies vary in the length of payout: some policies will only pay out for 5 or 10 years, some until age 65. Experts recommend the latter. Plans may include a cost of living rider, which allows the policy's value to increase with inflation.

Some employers may allow employees to supplement, raising the percentage of their salary they receive. Some policies have monthly maximum payouts. Plans differ on the circumstances under which, and how often, if at all, they allow the salary to be paid to be raised.

When to Apply for Long Term Disability Coverage

A wide variety of conditions or ailments can prevent a person from working and, therefore, create the need for long-term disability insurance payments including, but not limited to, spinal disorders, vision problems, breathing problems, heart conditions, skin conditions, diabetes, and seizure disorders. Different insurers maintain different definitions of "disability." Sometimes the definition depends on the duration of time the condition has existed. If your medical condition will prevent you from working for more than the 26 weeks which is covered by a short-term disability policy, you will need long-term disability insurance.



What Can an Attorney Do For Me?

The best time to hire an attorney is before you file. They best know how to use your policy to tailor your application for the optimum chance of success. If your claim is denied, depending on whether it was an individual plan or an employer-provided plan, an attorney can either sue for you or appeal the decision. An attorney can also tell you the reasons for which you cannot sue an insurer. Oftentimes, a long-term disability attorney will have already worked for an insurer, so they know why insurers deny claims and can avoid letting you submit an application and supporting materials that would empower the insurer to deny your claim.

An attorney can help you at all stages of the claims process, from reviewing your policy and completing your application, to referring you to medical and vocational experts when necessary, negotiating with the insurer regarding medical exams and Functional Capacity Evaluations. An attorney can explain the limitations that policies place on what qualifies as a disability, for example, whether or not mental health and substance abuse problems are included, or other exclusionary criteria, such as pre-existing medical conditions. They can explain how your policy works, for example, whether your time "on disability" counts towards your pension. They can help you provide only the necessary information to the insurer so they cannot use what you give them against you. Attorneys can work in conjunction with your treating doctors to obtain reports that will work best for your case, and negotiate lump-sum buyouts where applicable.