

# DISABILITY INSURANCE MADE SIMPLE

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*Boone Insurance Associates Education Guide: New*

# About Boone Insurance Associates

- Boone Insurance Associates provides health and life insurance products to clients all over Oregon.
- We work directly with the companies to resolve any of your claim, benefit, & premium questions.
- Unlike a captive insurance producer who represents that insurance company alone, we are independent of a specific insurance company and represent a variety of different companies and products.
- Boone Insurance Associates provides this educational program today to help inform you. There is no obligation for you to purchase services from us.

**“Our pledge is to provide our clients with superior customer service and product knowledge in order to guide them in making the most informed decisions.”**

# Basic Disability Terminology

- **Disability**: An individual's physical or mental inability to perform the major duties of his or her occupation because of sickness or injury.
- **Benefit percentage**: The percentage of the insured's pre-disability income, up to an overall maximum benefit amount, that will be the amount payable to the insured upon disability.
- **Benefit period**: The longest period of time for which benefits are payable for continuous disability.
- **Elimination or waiting period**: The period of time between the date the disability commences and the beginning of the benefit payment period. It is the period during which an employee must be disabled before payment of benefits begins.
- **Exclusions**: Certain conditions and causes that are not covered by the policy. These are listed in the policy. For example, a plan will typically exclude coverage for disabilities resulting from war, participation in a riot, commission of a felony or a self-inflicted injury.
- **Maximum monthly benefit**: The highest dollar amount a disabled employee can receive on a monthly basis under the long-term disability policy.

# Types of Disability Plans

- **Short-term Disability Insurance:** STD is a type of disability insurance coverage that can help you remain financially stable should you become injured or ill and cannot work. Usually, STD coverage begins within one to 15 days of the event causing your disability. The coverage allows you to continue to receive pay at a fixed weekly amount or a set percentage of your income. STD typically lasts for about 10 to 26 weeks, although this varies by policy. When this STD coverage ends, long-term disability (LTD) coverage typically takes effect.
- **Long-Term Disability Insurance:** LTD is a type of disability insurance coverage that pays an individual a set percentage of their regular income after a specified waiting period. For example, if an individual is covered under short-term disability (STD) insurance as well, the LTD insurance would kick in once the STD policy is exhausted, typically after three to six months. LTD insurance protects individuals in the event they become disabled for a prolonged period prior to retirement. The length of LTD plans varies; some may be limited to a period between two and 10 years, while other plans continue paying out until age 65.

# The Disability Insurance Process

- The following are some of the steps you will experience while applying for disability insurance coverage:
  - ▣ Complete a client packet to help the agent get a better understanding on the level of coverage needed.
  - ▣ Agent will then quote a variety of companies based on the client specific needs. E.G. Level Of Monthly Payout, Riders, Health History.
  - ▣ Agent and client will determine what carrier works best from a pricing and benefit stand point.
  - ▣ Client then completes the disability insurance application.
  - ▣ Application then goes through underwriting review with carrier to get approved.
  - ▣ Client then accepts final price and benefit offer.