The Importance of Residual Disability Protection

What happens when a client is partially disabled but still working? Many professionals overlook this crucial aspect of disability insurance. According to industry data, a significant number of clients experience partial disabilities rather than total disabilities. This reality raises an important question: **How can we better support these clients during challenging times?**

Consider the case of a client who has sustained an injury that prevents them from performing all their job duties but still allows them to work part-time. While they may not qualify for a total disability claim, they are still facing a loss of income. This is where a residual disability rider becomes invaluable.

The purpose of a residual disability rider is to ensure that even if a client can only work part-time or has reduced job responsibilities, their income remains protected. This rider can be a lifeline during recovery or when transitioning back to full-time work after a total disability claim.

While every carrier's residual disability rider may vary slightly, and some carriers have multiple options available within their offering-**Here's how it typically works:** When a client demonstrates a loss of income or job duties of 15%-20% over the elimination period, the residual benefit kicks in. For instance, if a client experiences a 30% loss of income, they receive 30% of their benefit. If the loss is 65%, they receive 65% of their benefit. Should the loss exceed 80%, the client may then qualify for full total disability benefits.

As professionals, it's our responsibility to educate clients about these options. By doing so, we empower them to make informed decisions that can significantly impact their financial stability.

NorthCentral DI is your one-stop resource for all your disability insurance needs. We are here to assist with case design, illustrations, pre-screens and even income documentation review! Please give us a call at 866-598-0020 or email us at 3mark@northcentraldi.com.