

What to Look for in a Disability Contract

Not all disability contracts are the same. Contract provisions can be confusing. There are a lot of moving parts. And while some provisions can help manage costs, they may limit how well your firm's employees are protected if they become too sick or hurt to work.

8 QUESTIONS TO ASK

1.	Under what circumstances do employees qualify for disability? The definition of disability is the most important provision in a disability contract as it is used to determine if an employee qualifies to receive benefits. Definitions can vary so it's important to understand under what circumstances employees can qualify.
2.	Do you have attorneys who have specialized areas of practice? A patent attorney doesn't perform the same duties as a trial attorney. A specialty own occupation definition protects attorneys by evaluating disability based on the inability to perform their specialty in the practice of law being performed when disability begins.
3.	How many days can a disabled employee return to work and then become disabled again from the same or a related cause before they have to satisfy the elimination period again? A recurrent disability insurance provision helps ensure an employee doesn't have to go through more than one elimination period. This provision can vary significantly between insurance carriers. Make sure you know how much time the employee has to recover and that it's sufficient to encourage them to return to work.
4.	Does the maximum monthly benefit meet the income replacement needs for your firm? The maximum benefit under group disability doesn't always meet the income replacement needs of an entire group, especially higher-paid attorneys. Individual disability policies can help cover any gaps.
5.	How would the firm be impacted financially if a key partner wasn't able to work? A business protection provision can help cover ongoing overhead expenses and help ensure your firm can keep going if a key shareholder/partner becomes disabled.
6.	How long would it take an attorney to rebuild their client base when they return to work after a disability? An extended earning protection benefit can help bridge the potential gap in earnings while they work to rebuild their client base.
7.	Do your employees work more than 40 hours a week? If that's the case, look out for contract language that says employees aren't considered disabled if they can work at least 40 hours. For example, if one of your attorneys who normally worked 60 hours becomes disabled and is later released to work 40 hours, they would no longer receive benefits.
8.	Could employees be denied benefits for not seeking medical attention for a pre-existing condition? Most contracts exclude or limit coverage for pre-existing conditions. But some contracts limit coverage even further if the cause of the disability is traceable to a prior condition for which a reasonably prudent person would have sought medical care or treatment.

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