

Disability Insurance Questions

Q: What factors relate to the cost of disability insurance?

A:

1. The type of disability contract
2. The waiting period
3. The benefit amount
4. The benefit period
5. Your current health status and medical history.

Q: How is disability defined?

A: The definition of the disability will be outlined in your policy and may vary between companies. That definition will determine the circumstances under which you will be able to receive payments, and possibly whether you may be able to go into some other line of work while still drawing on your disability benefits.

Q: Who needs disability insurance?

A: Most people need some kind of coverage, which will replace most of their usual income in case they cannot work due to disability. When people without disability insurance become disabled, income stops or is reduced, and savings are drained. Some exceptions are those with high levels of investment income, students, or individuals whose spouse continues to provide enough income to cover expenses.

Q: What type of medical exam is required?

A: A medical exam is required for all disability insurance companies. This process can be completed in your home or any other convenient location. The exam takes about 15 - 30 minutes and is conducted by a licensed paramedical or medical doctor. An exam generally involves a blood and urine specimen, blood pressure reading, height and weight measurement and sometimes a series of questions regarding your medical history.

Q: When does my insurance coverage begin?

A: Most companies provide temporary and conditional coverage at the completion of the medical exam provided a premium payment is made when the application is mailed. This coverage is subject to the conditions outlined in the conditional receipt. If you are replacing an existing policy, it is very important to continue coverage until a new policy is approved at a satisfactory premium.