



# THE JOURNAL

solid group plans made simple

## DISABLED? – NOW WHAT?

### Long term disability claims and process

It is not something any of us like to think about, but picture your life in the event of a prolonged absence from work due to illness or injury. How would you pay your rent or mortgage? How would you put food on the table or continue to pay your regular bills?

Long term disability (LTD) benefits replace a percentage of monthly income (typically between 60 and 70 percent), starting after a waiting period. As a rule, this is the period of time the employee is receiving sick leave or short term disability benefits, commonly 17, 26 or 52 weeks. LTD benefits may continue to age 65.

### Definition of monthly earnings

The monthly LTD benefit an employee receives when disabled is normally based on a percentage of reported pre-disability earnings. Many LTD contracts define “monthly earnings” as regular monthly earnings, but it could include commission or other forms of income. Typically bonuses, dividends and overtime are not included in “monthly earnings”.

### Non-evidence maximum (NEM)

The insurer sets the amount of coverage an employee is eligible to receive, without having to provide the insurer with evidence of good health, based on the size and make-up of the employee group. To qualify for amounts above the NEM, an employee is required to complete an “evidence of insurability” form. Johnstone’s Benefits provides notification annually and whenever we are advised of a salary increase which results in a benefit over the NEM or an increase more than 10%.

## THE JOHNSTONE’S ADVANTAGE

Our mission is simple:  
**Treat each client as if they were our only client.**

Our value is clear:  
**We are completely independent.** We work for you and offer total flexibility on insurers and plans.

We provide all your group insurance services including administration, brokerage, consulting, and communications.

We provide dedicated client support, customization and flexibility to meet all of your company’s benefits needs. And we make **solid group plans simple.**



## Definition of total disability

“Total disability” is specifically defined in the LTD contract. One common definition is “unable to perform the essential duties in the employee’s own occupation for a period of two years, and for any occupation thereafter”. This definition creates a re-assessment of the employee’s eligibility for disability before continuing benefits beyond the first two years. Insurers will assess the person’s ability to replace earnings if they are able to work after a period of time.

## Helping with the claim process

The approval time for LTD claims can be lengthy, with lots of paperwork. If you have been off work for, and believe it’s unlikely you will be able to return to work before completing the LTD waiting period, we recommend filing a LTD claim within 90 days of the date you became disabled.

One of Johnstone’s Benefits’ primary services to clients is assisting employees through the LTD claim process. Insurers require information from the employee, the employer and physician(s) to support a claim, which can be submitted separately; however, the insurer requires all three statements before beginning to adjudicate the claim.

The physician information is particularly important, so giving your physician plenty of time to provide

quality and substantive information, including objective medical test results, prognosis and treatment plan will be crucial in getting the insurer’s approval of your LTD claim.

Once the insurer has reviewed all of the submitted information, they may request additional information to assess the claim. In some cases the insurer may ask to conduct an “independent medical exam” (IME), which may take several weeks to arrange and complete, and receive the resulting report.

Employees are responsible for costs associated with the initial claim submissions; however, if the insurer requests the additional information, the insurer is responsible for any resulting costs.

## CONTACT US

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**JOHNSTONE’S JOURNAL** is published monthly and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies and share with your employees.

