

# Disability Insurance Claim Filing Basics

## **1. BEFORE YOU MAKE A CLAIM: READ YOUR POLICY AND REVIEW YOUR APPLICATION.**

- Read the definition of disability in your policy to determine whether or not your condition qualifies for benefits.
- Have your treating doctor confirm and explain your disability in writing to the insurance company. Almost all policies require that you be under continuing care by a doctor to qualify for disability benefits.
- Review the answers you gave on your application. Are they true? Will they conflict with the medical records that your insurance company **will** obtain? Be sure that if you answered any of the questions incorrectly you have a good explanation. If there is an inconsistency between your application and your medical history as reflected in your doctor's records, it is often because you misunderstood a question on an application, or, your agent told you the insurance company was not interested in minor problems, or, you did not know, at the time you filled out or signed to the truth of your answers that you had a condition that would have required a different answer. If so, be prepared to explain the inconsistency to your insurer during the claims process.

## **2. YOU MAY NOT BE ABLE TO COLLECT BENEFITS DURING AN INITIAL ELIMINATION PERIOD.**

Most disability policies contain an elimination period that requires you to be disabled for a certain period of time before you can collect benefits. The shorter the elimination period, the more expensive the policy. It's like a deductible.

## **3. FILE A CLAIM AS SOON AS YOU KNOW YOU ARE DISABLED.**

It doesn't matter if you won't be eligible for benefits for several months – file your claim promptly upon discovering your disability. The insurance company has the right to know that you are currently disabled and that you will be applying for benefits. A failure to promptly submit a claim can result in the insurance company denying your benefits. Don't give them the excuse to do this.

## **4. CONFIRM COMMUNICATIONS WITH THE COMPANY IN WRITING**

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It's okay to speak to the adjuster assigned to your claim over the phone but **follow up with a letter documenting whom you spoke to and what was said.** When you send notice of your claim to your insurance company make sure to send it by registered mail, return receipt requested. Don't give them an excuse to tell you that they never received notice of your claim or any other important information that you want them to have.

## 5. KEEP A CLAIM JOURNAL

Keep a running record of every phone conversation, in-person conversation, date, time, name of person spoken to, etc. Write for as long as it takes to *clearly* explain what transpired. You may think you will remember, but little details can be really important later on and are easily forgotten when you are under stress.

**You have the right to tape record in-person meetings, telephone conversations, and/or insurance company scheduled doctor appointments.** Just make sure to tell the adjuster that you are going to do so.

## COMMON QUESTIONS AND ANSWERS:

### **IF I CAN NO LONGER WORK AT MY CURRENT JOB, AM I ENTITLED TO BENEFITS IF I CAN BE TRAINED FOR ANOTHER JOB?**

It depends on your policy. Many policies specifically cover you for the job you had when you became insured. These are known as "own occupation" policies. If you have one of these policies and you become disabled and cannot do your job; you can collect benefits even if there are other types of jobs your disability would allow you to do.

Under an "own occupation" policy, for example, if you could no longer do your job as a violinist with a symphony due to a disabling wrist injury, you would be entitled to benefits even if your disability would not prevent you from working in the box office collecting tickets. Under an "any occupation" policy, the answer would be different. (See below). That's why it's so important to read your policy and know your rights. Some policies will insure you for your own occupation for a specific period of time. After that time elapses, you will only be paid your benefits if you are disabled for other work as well.

### **IF I DO NOT HAVE AN "OWN-OCCUPATION" POLICY, WHAT IS THE DEFINITION OF TOTAL**

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## **DISABILITY?**

The definition of “total disability” varies from state to state and policy to policy. In California, total disability is the inability to perform with reasonable continuity an occupation for which you might reasonably be expected to engage in view of your station in life and your physical and mental capacity. In other words, if you are a schoolteacher, the insurance company cannot deny you your benefits because you might be able to work at a fast food restaurant.

## **DO I HAVE TO KEEP PAYING PREMIUMS TO KEEP MY DISABILITY INSURANCE POLICY IN FORCE WHILE I’M DISABLED?**

Generally not, under what is called the “premium waiver” provision in most policies. The answer depends on the wording of your policy. Read your policy. Know your rights. Do not run the risk of letting your policy lapse, (i.e. be canceled for non-payment), because you think you might not have to pay your premiums. When in doubt, pay your premium. Your insurance company is required to refund any premiums you paid while you were disabled if that is provided in the policy.

## **WHAT IF THE INSURANCE COMPANY TERMINATES MY BENEFITS WHILE I’M STILL DISABLED?**

Ask your doctor to provide your insurance company with written documentation of your continuing disability. Then ask your insurance company to respond in writing to your request for reconsideration. If the insurer still refuses to reinstate your benefits, consult an insurance law expert.

## **WHAT IF THE INSURANCE COMPANY ASKS FOR COPIES OF MY TAX RETURNS?**

Do not simply turn over your income tax forms just because they ask for them. You may have a constitutionally protected right of privacy.

## **HOW SHOULD I FILL OUT THE CLAIM FORM?**

Answer as best you can, be honest, of course, and if you are unsure about something, indicate “undetermined”. When you list the material and substantial duties of your occupation on your claim form be specific. If, for instance, you do administrative work only 5% of the time make sure the insurance company knows this.

## **CAN I STOP PAYING PREMIUMS EVEN IF MY CLAIM IS DENIED?**

No! Pay the premium with a check and note “contested payment” on the check or in a letter accompanying the payment that explains that you are paying under protest because your disability entitles you to a premium waiver. But don’t stop paying your premiums or the insurer will have an

excuse to cancel your policy.

### **I'VE HEARD OF INSURANCE COMPANIES SURREPTITIOUSLY VIDEOTAPING PEOPLE. DOES THAT REALLY HAPPEN?**

Yes. Be aware that if you file a disability claim, you could be videotaped by the insurance company when you are unaware. The purpose is to record you doing some activity you claim you are unable to do. In a well-known case, a policyholder that claimed to have a disabling back injury was captured on tape on fast-moving rides at an amusement park. Insurance fraud is costly for all of us and allows insurers to justify privacy invasions such as surreptitious videotapes. Don't give them an excuse to deny your claim by exaggerating your disability.

### **IF THE INSURANCE COMPANY IS WEARING ME DOWN, SHOULD I OFFER TO COMPROMISE BY ACCEPTING LESS BENEFITS THAN I'M ENTITLED TO?**

NO! Stand your ground and don't give up! You are entitled to the full benefits you paid premiums for. You have kept your end of the agreement by paying your premiums and the insurer should honor their part of the agreement and pay your claim. *Don't give up your rights!* **Don't agree to or sign anything without knowing your rights.** Seek counsel whether it is an attorney, your insurance agent, or the Department of Insurance. Leave no stone unturned. Fight for your rights. Use your telephone book and local agencies to get help.

**There are no dumb questions.** If you don't understand something, keep asking questions until you are satisfied with the answers. You won't know if you don't ask. Take care of business—don't put things off when it comes to your claim. Address issues as they come up. If you don't take control, the insurer will, and their interests are not the same as yours.

### **GOOD LUCK!**

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