

[The Outrage of Offsets](#)

Imagine how you would feel if you suddenly became disabled and couldn't work. If you were fortunate enough to have private disability insurance to replace some of your lost income, you would at least have the comfort of financial security. But what if you found out the insurance benefits you were counting on had been drastically reduced via "offsets" (deductions) you hadn't been aware of? Goodbye financial security. This is the very scenario that happened to a man and his family profiled in a two-part CBS5 investigative news story in April that included an interview with UP's Executive Director.

The first segment profiled Jay Thompson, a long-time employee of a large corporation who went on disability when he was afflicted with Lou Gehrig's disease. As he lay immobile, he learned that he and his family were victims of "offsetting"—an increasingly common, legal practice whereby insurers reduce benefits by amounts the insured receives from other sources, such as lawsuit settlements, public benefit programs (SSI, SSD) and even pensions. (To watch [Part 1](#))

Offsets allow insurers to get credit for monies paid to a claimant by other sources - including taxpayer-funded programs such as SSD - while policyholders pay premiums for benefits that are not delivered. Part two of the report found that policyholders don't have much legal recourse against insurers who try to find payout loopholes, particularly if your disability policy comes through your employer. (To watch [Part 2](#))

What can a policyholder do to avoid offsets? Review your disability policy (or master policy if you're insured under a large employer contract) and read the offset provisions.

Comparison shop if you have options, and find a policy with few or no offsets. If your employer provides disability insurance as a benefit, ask that they consider negotiating with the insurance provider to reduce offsets when the policy comes up for renewal. For more information on disability insurance and claims, go [here](#).