

HEALTH INSURANCE

What to Look for in an IDI Policy

Here are three features your client's disability insurance policy should have.

For years, brokers have faced challenges when selling individual disability insurance policies because, on many occasions, it takes a devastating illness or injury for people to realize the importance and value of DI insurance. Many people have the "it-will-never-happen-to-me" mentality, and often, don't recognize the need for insurance that provides a steady stream of income to offset the financial strain of a lost paycheck.

Once the need has been established, you have a second challenge—recommending policies that offer robust coverage, valuable benefits and expert support.

As your clients' needs evolve, demand continues to grow for more comprehensive coverage and better benefits. To help sift through the clutter, here are three innovative features to consider as you look for the best fit for your clients' needs.

■ **Extended coverage benefit to care for loved ones.** Nearly 66 million people care for an ill, disabled or aged family member or friend for an average of 20 hours per week, according to the National Alliance for Caregiving. Other people in similar circumstances have been forced to quit their jobs, take early retirement, reduce the number of hours they work or even take a leave of absence to continue caring for their family members.

No one should have to choose between a paycheck and caring for a loved one. Giving people the option of compassionate extended coverage is appealing. A policy that allows for caring for a loved one should provide a monthly benefit proportionate to the insured's loss of income. For

example, if the insured's earnings were reduced by 50 percent, the insured should receive 50 percent of the benefit for up to one year.

Overall, this protection provides peace of mind and encourages people to spend time with their loved ones at a crucial time. In addition, as a broker or agent, you become a valuable resource because you have brought this type of offer to the table.

■ **Partial disability provision.** A partial disability provision offers the support and flexibility that individuals need while they are recovering from a disability without penalizing them for working only as much as they're able.

Look for policies that pay for benefits for an extended period if the insured has a loss of time, duties or income, regardless of the amount of income earned when returning to work. After recovering from the disability, the insured will receive a recovery benefit if he continues to have a loss of income due to the sickness or injury that caused the disability.

■ **Mental health coverage.** The number of mental health claims continues to rise as a result of stress-related and chronic disorders in the workplace. Consequently, many policies are beginning to offer coverage for disabilities due to a mental health condition; however, these policies often have limitations on conditions that they cover or other restrictions.

A policy with no special limitation on coverage for a variety of mental health issues and disorders instead of the typical two-year limitation, as



well as an extended benefit period, will be a key feature to look for as these issues become more common.

Providing more value

The bottom line is that the three features mentioned earlier help meet the evolving needs of people in different circumstances. People don't often realize that their time away from work could be covered under this kind of insurance policy if they're not the ones who are sick or disabled. That's where as a broker, you can build a strong relationship with your clients by recommending policies that offer extra value with options that can be customized to fit their unique needs.

In today's economy, people have to deal with many stresses—whether it's a job concern or a loved one who is sick. By tailoring a policy to an individual's needs, you can help shine a light on some very important financial protection. □

Steve Brady is the second vice president of individual disability insurance sales and marketing at The Standard. For more information about The Standard, visit www.standard.com.