

## Total Disability

- a) Own Occ: cannot perform major duties of their regular occupation.
- b) Any Occ: cannot perform major duties of any occupation which they are reasonably suit for.
- c) Own Occ + Any Occ: e.g. Total disability occurs cannot perform own occ for first 2 yrs and cannot perform any occ later.
- d) Presumptive Disable Clause.  
injury/illness resulted in loss of sight / hearing / any two limbs / speech
- e) "Residual" or Partial Disability Benefits.  
pays a monthly benefit if part of income is lost due to disability.
- f) "Recurrent Disability": disabled  $\rightarrow$  worked out  $\rightarrow$  disabled.  
waive the re-commencement of a qualifying period or elimination period (EP) if disabled again within 6 mths.

## Benefit component

- a) Elimination Period (EP): days after injury/sickness but no benefit paid.

EP is included in all DI policies, which helps exclude small illness/injuries where the insured

is only disabled for a very short period of time.

Most elimination period is 30 days to 1 yr

3 mths EP  $\rightarrow$  1st mth benefit paid at the end of 4th mth disabled.

b) Benefit Period (BP): maximum period of time that disability benefits will be paid.

c) Benefit Amount: 60%-70% of earnings (non-taxable)

Fixed monthly benefit

low-income - higher (80-85%)

high-income - lower (60-65%).

## Policy Features

a) Non-cancellable & Guarantee Renewable Protection

- Policy premium can never be raised above amount shown in the policy and benefits may not be reduced.

- Policy holder has right to renew the policy with the same benefits, but insurer can increase premium

b) Optional Benefits.