

PRIVATE vs. GROUP DISABILITY INSURANCE

POLICY FEATURE	TYPICAL GROUP LTD INSURANCE POLICY	TYPICAL PRIVATE LTD INSURANCE
Maximum Benefits Payable	50%-60% of income to a stated monthly maximum benefit	50%-70% of income, stated in a monthly benefit
Taxation of Disability Benefits	Taxable, if employer pay premiums	Nontaxable, if individually paid
Is Policy Portable?	No - Cannot be continued	Yes
Premium Rate Guarantee	None	Yes, to age 65
Can policy be Cancelled/ Modified After Issue	Yes	No - Benefits and Premium are fixed
Standard Policy Exclusions?	Yes - such as mental/nervous	None
Integration of Benefits at Time of Claim?	Yes, with Social Security disability, worker's compensation pension disability benefits, state disability benefits	None, benefits are paid in addition to all the other disability benefits
Disability Benefits Hedged Inflation?	No, rarely offered	Yes, if that feature added
Does Policy Pay Dividends?	No	Yes, if policy participating
Definition of Disability	Requires "TOTAL" disability (any occupation)	Does not require it be "TOTAL" (i.e. own occupation or specialty)
Benefits Payable During Partial Disabilities?	No, rarely offered	Yes, a portion of the total benefit will be paid for the benefit period.
Premiums Returned If No Disability Is Ever Claimed.	No	Yes, if that feature was included with the policy, at extra cost.