



“The Manufacturer of Designer Benefit Plans Tailored to Your Company’s Needs”

Disability Maximums

It is important that all employees are aware of what their group benefit plan will cover in the event of a short or long term disability claim.

There are two types of maximums that apply to a disability benefit: a **Non-Evidence Maximum** and an **Overall Benefit Maximum**.

The Non-Evidence Maximum (NEM) is the amount of insurance that the insurer will provide to the employees without providing medical evidence of good health.

The Overall Maximum is the maximum amount of insurance the insurer will provide based on the employees salary, subject to approval upon completion of a medical evidence form. Typically, the formula for disability is 66.67% of gross weekly/monthly earnings. Please note that premiums will be adjusted accordingly and that excess coverage needs to be applied and approved for prior to a disability claim.

Long Term Disability

If a group benefit plan offers a monthly NEM of \$2,500 and a Overall Maximum of \$4,000 every employee can receive up to \$2,500 of Long Term Disability coverage without having to provide any medical evidence. To receive any additional coverage up to the \$4,000 overall maximum the employee would have to provide medical evidence of insurability.

Example - If an employee has a gross monthly salary of \$4,200 and the disability coverage is 66.67% of their gross monthly earnings then they would be eligible for \$2,800. The employee would automatically be covered for \$2,500 per month and they would need to apply to receive the additional \$300 of coverage .

Please contact your Plan Administrator or the friendly staff at Generations Insurance if you have any questions.