



PRODUCT NEED AND USE:

Cedants may not want to retain the exposure on high income lives or may wish to reinsure the entire risk in certain situations. A combination of Temporary Total Disability (TTD) and Permanent Total Disability (PTD) benefits can be offered to reinsure disability as a result of an accident and/or sickness. Special exposures such as war risk can also be included.

SUBJECT INSURANCE:

Long term disability coverage, or LTD for short, for accident and sickness is a routine part of employee benefit packages. Reinsurance is available in the form of a monthly TTD benefit followed by a lump sum PTD benefit, if at the end of 2 years the Insured has no expectancy of improvement in their condition and is prevented from engaging in their occupation or profession.

REINSURANCE DESIGN/OPTIONS/STANDARDS:

- Reinsurance can be purchased on a quota share or excess basis.
- Ability to quote both individual and group situations.
- Underwriting service and quotation usually within a 48 hour standard.

INFORMATION REQUIREMENTS:

1. List of Insured Persons including occupation, age and salary information
2. Proposed elimination and benefit periods
3. Benefit formula and limits
4. Hazards covered i.e. travel, occupational injury, war risk exposure etc.

UNDERWRITING NOTES:

1. Maximum percent of earnings is 70%, but 66 2/3% is standard
2. Maximum reinsurable benefit period is 24 months (104 weeks)

SPECIMEN WORDING:

Temporary Total Disability means disablement which entirely prevents the Insured Person from attending to their business or occupation.

Permanent Total Disability means disablement which entirely prevents the Insured Person from attending to any business or occupation for which they are reasonably suited by training, education or experience and which lasts twenty-four months and at the end of that period is beyond hope of improvement.