Group Disability Insurance

Help employees protect their income with Principal group disability insurance

Group disability insurance protects your employees’ most valuable asset—the ability to earn an income, even if they’re too sick or hurt to work.

Principal offers both short-term disability and long-term disability insurance that meet your employees’ needs and your bottom line. Create a foundation with our flexible disability policy, then add extra features to create just the right mix.

Who pays the insurance premium?

You can choose to pay for all, part, or none of the premium with Principal group disability insurance. If your budget is tight, employees could pick up the entire cost of premium with voluntary short-term or long-term disability insurance.

What is group disability insurance?

Disability insurance acts as an employee’s personal safety net. If employees are too sick or hurt to work, they can rely on disability insurance to replace a portion of their income. That means they can focus on taking care of themselves, instead of worrying about how they’ll pay the bills.

What is short-term disability insurance?

If an employee is temporarily disabled and can’t work for a short amount of time, this benefit is used to replace a portion of the employee’s income. Examples of qualifying conditions may include the birth of a child, prolonged sickness, or recovery after surgery. Short-term disability benefits are paid weekly, and employees are eligible to receive benefits for less than 26 weeks.

What is long-term disability insurance?

Long-term disability benefits generally begin after short-term disability benefits end. Examples of qualifying conditions may include cancer, accidental injuries, and mental health conditions. Long-term disability benefits are paid monthly. The amount of time a person can receive LTD benefits varies, but usually coverage is provided until the employee returns to work, receives benefits for a certain number of years (example: up to 5 years), or reaches age 65.

Why offer group disability insurance?

Employees depend on their income for everything—the small things like groceries or a night out, and the big things like their home and car. What if an injury or illness affected your employee’s ability to work? Without an income, any money in savings may need to be used for things like mortgage or rent and daily expenses. Employees appreciate having the financial safety net that disability insurance provides.

Plus, offering group disability insurance enhances your benefits package. And great employee benefits can help you attract and keep quality employees.

How does group disability insurance work?

If an employee is too sick or hurt to work, they may be eligible for disability insurance. After filing a claim and meeting the policy’s definition of disability, the employee then fulfills the elimination period (the amount of time before benefits are available). Examples of elimination periods include 8 days for short-term disability and 90 days for long-term disability. Depending on the employer’s time-off policy, employees may be able to use sick leave during the elimination period.

It’s important that employees understand disability insurance covers a portion of their income—referred to the benefit percentage. This is the percentage of pre-disability income the employee receives (example: 60%).

For short-term disability, claimants receive weekly benefit checks. For long-term disability, claimants receive monthly payments.

Key features of Principal group disability insurance

Choose from a range of features to customize the coverage that’s right for you and your employees. Flexible options include: benefit percentages, maximum benefits, elimination periods, benefit payment periods, and more.

Definitions makes a big difference

Disability insurance can be complex. That’s why it’s important to have a good handle on the contract’s language. Just one word or phrase can make a big difference when—or if—an employee qualifies as disabled. Here are a few definitions that make our disability contract different.

“Or” definition of disability

Using the small word “or” in the definition of disability means employees who aren’t totally disabled may still qualify for benefits. Employees qualify for benefits by meeting either of the following criteria:

Unable to perform the majority of substantial duties of their own job (for short-term disability) or occupation (for long-term disability).

or

Unable to earn 80% of their pre-disability income while working in a modified capacity.

**“Own job” definition for short-term disability**

We use an “own job” definition of disability instead of the more common “own occupation.” That means we look at the job the employee was performing on the date of the disability—not the occupation.

Getting employees back on their feet—and back to work

The road back to work from a disability can be difficult, for you and your employee. We’re dedicated to helping both of you through this process to make the journey easier.

Our Return-to-Work ResourcesSM program offers:

* Personal rehabilitation plans: Outlines an individualized plan for the disabled employee with input from the employee, physician and employer.
* Work incentives: Provides disabled employees with additional benefits if they return to work part time.
* Rehabilitation incentives: Increases the benefit percentage for disabled employees who agree to participate in rehabilitation programs.
* Reasonable accommodation benefits: Reimburses you for expenses used to modify the worksite to allow a disabled employee to return to work.

Personalized claim services

You can count on the managed disability services team to guide you and your employees through what can be an uncertain time. After a claim is submitted, a claim specialist connects with the employer, employee and attending physician. Depending on the claim, additional professionals—such as a registered nurse or occupational associate—may be included.

Employee Assistance Program (EAP)1

Give employees access to resources to help them handle life’s everyday—and not so everyday—challenges. Employees and their immediate families have access to free, confidential service, as well as referrals to supportive and community resources.

You automatically receive basic services with your Principal short-term or long-term disability coverage. This includes 24/7 online or phone assistance for your employees. You may choose to offer additional levels of service, such as access to financial and legal services and face-to-face visits.