

What To Do If (and When) Your Claim For Long Term Disability (“LTD”) Insurance is Denied



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[This article is for informational purposes only and does not constitute legal advice, which cannot be given without consideration of your individual circumstances.]

The process for successfully claiming long-term disability (“LTD”) insurance benefits can be complex and lengthy (See our article on “Navigating your Claim for Long-Term Disability (LTD) Insurance”). Unfortunately, part of that process often includes responding to a denial of your claim by the insurance company. This article summarizes the key steps to take if your LTD claim has been denied.

When are you likely to be turned down for LTD insurance benefits?

LTD policies usually have two different kinds of coverage. For the first two years, the coverage provided is commonly known as “own occupation” coverage, meaning that if you can’t do the primary functions of your job, you are entitled to benefits. After this period, the coverage often changes to “any occupation” coverage, meaning you will only continue to receive benefits if you cannot perform any job for which you are suited because of your background and not just your old job. Claims for LTD benefits can be denied either before coverage starts, or after two years, when the definition changes.

Key Tips for Responding to a Denial of a Claim for LTD insurance benefits:

1. Don’t give up!

Many people are discouraged when they are turned down for LTD benefits. They should not take it personally. Refusals are often a part of the process, and are not necessarily an indication of whether your claim for LTD benefits will ultimately be determined.

2. Internal Appeals

It is possible to appeal internally to the insurance company. The insurance company may alter its decision and provide LTD benefits, if new medical evidence is provided. Unfortunately, in many cases, the internal appeal does not change the initial refusal.

3. Suing the insurance company for your LTD benefits

Often the only way to obtain benefits from an insurance company after your LTD benefits have been refused is to sue. For many people, the prospect of litigating with an insurance company, particularly when you are disabled and without income, seems impossible. We recommend that disabled people seek good advice from competent, experienced lawyers, who can properly advise you on your rights. With the help of good counsel, you can enforce your rights and obtain the benefits for which you have paid.

Counsel work either on an hourly basis, or on a contingency basis (a percentage of the amount recovered). Many people prefer to hire counsel on a contingency basis, because there is no payment of legal fees unless and until there is recovery from the insurance company.

In all cases, it is strongly advised that you seek advice as quickly as possible after benefits are refused, as there are time limits which may cause you to lose the right to sue the insurance company.

4. Opportunities for Mediation

Although it may be necessary to start legal proceedings to enforce your legal rights, it is important to know that most cases settle at mediation. Mediation is a negotiation session conducted by an experienced neutral facilitator. The mediator will explore with the parties whether it is in their best interests to settle the claim for a lump sum or by reinstating the insured worker’s benefits. The mediator will have the parties explore the risks and costs of litigation and help them to determine whether a settlement is preferable to carrying on to Trial.

Conclusion

If you have been turned down for LTD benefits, please do not give up. If you retain good, experienced counsel and follow their advice, you stand a good chance of obtaining a satisfactory solution.

We are here to help navigate the LTD application process. Consult one of our experienced Disability lawyers at [Raven, Cameron, Ballantyne and Yazbeck LLP](#) if you are considering making a claim for disability benefits or if your claim for benefits has been denied.

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Description: This article summarizes the key steps to take if an insurance company has denied your claim for long-term disability (“LTD”) insurance benefits.