Proposed Revisions to Section 8C—Disability Income Protection Coverage

(as discussed during the Subgroup’s April 8 Meeting)

**C. Disability Income Protection Coverage**

**“**Disability income protection coverage” is a policy that provides for periodic payments, no less frequently than monthly, for a specified period during the continuance of disability resulting from either sickness or injury or a combination of them that:

(1) Provides that a plan is prohibited from reducing periodic payments based on age, except that a plan may reduce periodic payments provided that such reductions do not take place until the individual has reached full retirement age, as defined under the federal Social Security Act, to receive Social Security benefits;

**Drafting Note:** Age 62 was removed so that retirement age would align with the federal Social Security Act full retirement age.

(2) Contains an elimination period no greater than: (a) 50% of the benefit period in the case of a coverage providing a benefit of 180 days or less; (b) Ninety (90) days in the case of a coverage providing a benefit of One hundred and eighty (180) days to one year; (c) One hundred and eighty (180) days in the case of coverage providing a benefit of more than one year but not greater than two (2) years; or (d) Three hundred sixty five (365) days in all other cases during the continuance of disability resulting from sickness or injury;(3) Has a period of time for which it is payable during disability of at least three (3) months. No reduction in benefits shall be put into effect because of an increase in Social Security or similar benefits during a benefit period; and (?)

(4) Where a policy provides both total disability benefits and partial disability benefits, only one elimination period may be required.