

Tidbits:

- Prudential continues to deny claims unfairly.
- Commissioners of Insurance ignore pleas for assistance from insureds.
- Unum sells itself as a "customer service" organization.
- "Communicating With Your Physician" booklet a big hit with doctors and available by download.
- Settlement booklet available to clients by request.
- Unum pays a client \$69,000 in back benefits!
- Coalition of Disability Claims Insureds organization underway.
- Three-fold DCS, Inc. brochures now available for physicians. Please request if you would like to provide a brochure to your doctor.
- New DCS, Inc. Physician Treatment Plan Document available as claim management tool.
- Surveillance a big hit with insurance companies in recessionary times. Become a watcher and don't forget to blow their cover!
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Insurers Continue Indiscriminate Claim Denials

A Wake Up Call to Insureds

Editorial by Linda Nee

Most of our clients have heard me talk about options disability insurers have in a recessionary economy to continue to show profits to shareholders.

Unfortunately for many, the patterns of business practice now hinge on denying claims which have been paid for many years. In general, these are claims which have been forwarded to some sort of long-term holding area such as Unum's Extended Duration Unit. (EDU, SHU, or PTD)

EDU claims on auto-pay represent the most unprofitable segment of an insurance company's core business.

These are claims which have received a lion's share of expensive "risk management" activity and investigation have not resulted in a denial or shut-down of the financial reserve.

In effect, the disability insurer must pay these claims to maximum duration of claim regret the



"opportunities lost" in the claims process. From the perspective of the insurance company, EDU claims also represent the best opportunity

for profit if they can find experienced claims specialists who know how to bring about what looks like a credible denial.

Although it's been my experience disability insurers haven't been training or hiring the best of the best in the last few years, they may decide to spend money on training, or recruit very experienced people back into the ranks for the deliberate purpose of "risk managing" the EDU claims.

Tom Watjen, CEO of Unum wants the public to think his company is all about customer service. Somehow Unum doesn't equate with "customer service" in the same sentence especially when it denies claims it paid for 15-20 years. It's a hard sell, Tom!

The National Coalition of Disability Insureds (NCDI)

The creation of a non-profit organization called The National Coalition of Disability Insureds is underway.

It is hoped the organization will bring together other advocacy groups and insured members for the purpose of creating a collective organi-

zation which can influence and exert pressure on Commissioners of Insurance, federal and state regulators, and others to enforce state insurance consumer protection laws and bring about much awaited changes for the protection of insureds.

Membership is free, and we aren't asking anyone to volunteer any time unless you feel dedicated to the cause and want to work with the Action Committee.

I hope everyone will want to join the organization, whether you are a client of DCS, Inc. or just want to be involved.

Disability Claim Settlements



“Disability Claim Settlements can be very complicated and should be investigated and understood before signing.”

“Any entity that controls your money also controls you. Limit that control to the claim only and try not to allow the claim itself to become the disability.”



Although DCS, Inc. is not recommending disability claim settlements and buy-outs in this economic environment we took the opportunity to write an “Understanding Disability Claims Settlements” booklet which will be available upon request to clients and attorneys.

Beware, though. Disability Claim Settlements can be fairly complex, financially challenging, and difficult to understand if you are not

into numbers, present value, purchasing power and other financial advising lingo.

In writing the booklet I thought about leaving out some of the more technical information, but to do so omits the purpose of the booklet in the first place.

The result is a fairly technical explanation of all of the factors considered in working through the disability claims settlement process

and negotiations. Since I still get quite a few questions from attorneys, this booklet is also a good descriptive guide to the bargaining power an insured really has.

Please send me an email if you wish to be placed on the list to receive the settlement guide, but I warn you– it is not entertaining bedside reading. It is somewhat technical although probably the best informational booklet on the subject of disability claims settlements.

There’s No Such Thing as Disability Claims Police

One of the ways a disability insurer can maintain control over its insured is to require the insured to provide medical forms on a monthly basis and then make payment of benefits contingent upon receiving the form.

This causes what I refer to as the claimant/insured “Something’s Wrong Syndrome” characterized by constant daily thoughts that “something is wrong with the claim”, and financial ruin is just around the corner.

Jill, a Unum claimant, became so paranoid about her claim she spent nearly 8 hours of her day going to her Unum website checking to see if something was wrong. She also made frequent calls to the claims handler just to verify her benefit would be released, not realizing that calling the company everyday was

creating a “red flag”.

Although no one questions the fear of depending on an insurance company for money each month, the disability claim itself should not become “the disability”.

David, a Prudential claimant, spent his entire day researching court cases he could use against Prudential and ensure payment of his claim. By the time he became a client of DCS, Inc. he was exhausted from the endless collection of legal data available on the Internet. Little did he know that citing court cases in correspondence with Prudential did little to ensure the continued payment of his claim. Insureds and their physicians have more “power” than they think they have in controlling information and medical reporting to the insurance company.

Here’s a few ideas:

- Make sure the APS and claimant statements are sent in at the same time every month.
- Ask the disability insurer to submit all questions to you in writing in lieu of phone calls.
- Ask your doctor to notify you if he/she receives any requests from the insurance company.

Procrastination is a NOT a good thing for a disability claim. Once the monthly information is submitted to the insurance company, the control goes back to your court.

There is no such thing as Disability Claims Police no matter how much the insurance company would like for you to think so!

The Dirty IME....Yuk!

I am always amazed when one of my clients reports to me the IME location they were given to report to, and/or the IME doctor presented as unclean and scrubby looking.

It's obvious many IME physicians cut costs by renting cheap offices, sometimes in questionable locations. I am reminded of one Unum client who reported to an IME in a "red light" district complete with star feathered attractions next to the local truck stop.

Wouldn't you think an IME doctor could at least come up with a clean lab coat?

Recently, a Unum client reported the IME physician had on a dingy lab coat appearing not to have been washed in some time. Other clients from DRMS and DMS reported large dust "bobbies" in the corners of the IME offices appearing to have been there quite some time. At least in one incidence it was reported to us

the IME physician examined an insured with really dirty finger nails. There was also no clean paper on the examining table. Awful!

Insureds have a right to expect the IME examination take place in a clean office and that the physician will at the very least have on a clean lab coat. There should be a sink with running water for the washing of hands, and a nurse present for all evaluations with insureds.

Call DCS to report if noticed.

"Although an insurance company may have the right to require an IME it has a responsibility to make sure the doctor is "clean" and the place of examination is germ free. A washing of hands might also be appropriate too!"

The "We Did Nothing Wrong" Defense Contacting the Department of Insurance

State Departments of Insurance are given the mandate of enforcing all state insurance consumer protection laws. One might think, then, that filing a complaint with the DOI would achieve just that—the enforcement of consumer protection laws.

Well, think again! DCS, Inc. continues to file complaints on behalf of its clients for non-ERISA claims with the departments of insurance. In every instance, we receive a letter back from the DOI informing they have forwarded the complaint to the insurance company with a request for an explanation.

Does the DOI actually think the disability insurers will respond with, *"Yes, we deliberately deprived this insured of their benefits so we could reduce our financial reserve and profit at the insured's expense?"*

In every instance, the disability insurer responds with what I call a "we did nothing wrong defense". It's almost laughable! Asking an insurance company for an admission of wrongdoing is an exercise in futility.

Invariably, the responses I've seen to complaints from the insurer state, *"we are currently investigating the claim in a fair and objective manner....."* Right.

Clearly, this is a "we did nothing wrong defense" from insurers to complaints made ranging from deliberate bad faith, to just plan refusing to pay benefits due.

No insurance company is going to put in writing any evidence of wrongdoing. Amazingly, all insurance companies allege they NEVER do anything wrong. To do otherwise is inviting expensive bad faith lawsuits the company may lose in court and have to pay.

What is even more laughable is that the departments of insurance actually believe the "we did nothing wrong defense" and send the insured a letter which says, *"Well, since the insurance company says it hasn't done anything wrong, we are dropping your complaint."*

It is a fact the insurance company will never admit to any wrongdoing when asked about a complaint from the Department of Insurance.

It is also a fact, the Department of Insurance believes the insurer when it says it hasn't broken any laws.

One has to ask the question, "Who wins and who loses in this game?" "Who IS enforcing the state insurance consumer protection laws?" "Whose side is the Department of Insurance on anyway?"

Want to take a guess?



"All insurance companies claim they NEVER do anything wrong!"



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Dedicated to writing appeals and other communications on behalf of insureds.

Disability Claims Solutions, Incl. works with insureds, physicians, employers and attorneys to provide information advocacy concerning the disability claims process.

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As always, please feel free to contact me with any questions you may have concerning this information. We are sincerely grateful to all of our clients for their continued support and hard work in obtaining medical and other information.

We also appreciate your physicians and give them a big handshake for assisting disabled patients.