

## Waiver of Premium Provision for Life Insurance Policies

### *Timely Filing is Required*

Waiver of premium is a common provision included in the majority of life insurance policies. This provision provides continued life insurance coverage without premium remittance if an employee becomes totally disabled prior to the age specified in the contract. The employer does not have to pay group life insurance premiums on behalf of a qualified claimant during the time the claimant is disabled once the claim for waiver of premium has been approved. Typically, the waiver period (or discontinuance of premium) starts after a specified duration of a disability, as indicated in the contract, and continues until one of the following conditions occurs:

- Employee is no longer disabled
- Employee reaches a specified age limit (such as 65)
- Employee dies

**The waiver of premium provision is activated as long as the waiver claim is filed/applied for by the employer within the specified amount of time from the disabled employee's initial date of disability (typically nine or twelve months).** If an employer does not properly comply with this provision, such as waiting too long or not filing the claim at all, it will result in the denial of life coverage to the disabled person. Most insurance companies will now automatically file waiver of premium claims on behalf of employers and qualified claimants if the insurance company provides both the life and long-term disability coverages.

Be sure to verify if your current life insurance policy(ies) contains a waiver of premium provision. More importantly, make sure you understand how the provision works and file all claims on time.

Contact your Mesirow Financial representative if you have further questions.

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