

## Irving ISD Disability Plan changes for 2009-2010

As a result of higher than expected claims activity on the Irving ISD Disability Plan, premiums for this policy will be increasing by 11% effective 9/1/09. In addition to the increase in premiums, there will be some plan design changes made that will hopefully allow us to avoid future increases of this type. Below you will find a summary of the changes that will be taking effect on 9/1/09 along with a brief summary of what the change means to you.

1. **Change from 24-hour to non-occupational coverage:** Effective September 1, 2009, claims that are a result of an occupational injury will not be covered under the disability plan.
2. **Change the mental and nervous, drug and alcohol limitation from 24 months to 12 months:** The benefit payable under the disability plan for mental , nervous, drug and alcohol related disabilities will be limited to a 12 month duration.
3. **Add a 12 month limitation for disabilities due to special conditions:** This limitation will be imposed on disabilities that result from unexplained "special conditions". Many disabilities are a result of a physical condition that exists but there is no specific medical diagnosis for the condition. These type of disabilities will be limited to 12 months.
4. **Change from a 24 month to a 12 month own occupation period:** By contract, the disability policy defines a disability as your inability to perform the duties of your "own occupation". Currently, this definition of disability is applied to all disabilities for the first 24 months of duration. Beginning September 1, 2009, the definition of disability will still be defined based on your "own occupation" but it will only consider your own occupation for 12 months.
5. **Remove portability feature and survivor benefit:** The current disability plan provides for portability and survivor benefits. Portability allowed employees to keep their policy temporarily after they terminated their employment with Irving ISD. The survivor benefit paid a benefit to a surviving spouse if the employee died while actually out on disability, and had been receiving benefits for 180 consecutive days. Both of these benefits affected the cost associated with the disability policy. A study of all claims indicated that neither of these benefits had ever been utilized. Eliminating the benefits allowed for a reduction in costs, and a subsequently smaller premium increase for 2009.