

Real Life Claim

Severance Disability Insurance



Model Shown

A large national media company went through a round of layoffs after the recession financially hurt the company. Some of the severance packages the top executives received were a bit too rich. The executives were able to get the marketing firm to continue their disability insurance for an additional two and a half years.

When HR was tasked with finding a solution for the severance package, they quickly became concerned with the disability benefits. After contacting the group long term disability carrier, they discovered that as soon as the employment is terminated the disability insurance would cease. Without the ability to insure the severed employees, the marketing firm would need to self-insure the benefits.

The HR team contacted an insurance broker who recommended the Petersen International Underwriters severance disability insurance plan. The marketing firm was able to fulfill the severance package without the liability of self-insuring the risk.

Unfortunately, eleven months into one of the policies a 52 year old was diagnosed with brain cancer. The severance disability insurance plan paid out \$10,000 per month after the elimination period. Sadly, the cancer was very aggressive, and eight months after the disability began, the former executive passed away.

Without the severance disability insurance, the marketing firm would have had the legal responsibility to fund the monthly benefits.



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