

Everything you need to know about disability claims

Get answers to frequently asked questions about the short- and long-term disability claim process

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It's never ideal to have an employee out of the office on disability, but understanding the claim process can help make the situation go more smoothly. These answers to frequently asked questions can bring clarity to disability claims.



Filing disability claims

How can claims be filed?

There are 5 ways:



Online: Access the claim form available in the forms library on Principal.com to print or complete and submit electronically



Email: Send completed form to SBDClaims@Principal.com



Fax: Send completed form to 800-255-6609



Mail: Principal Life Insurance Company
Attn: Group Life & Disability Claims Department
711 High St.
Des Moines, IA 50392-0002



Phone: Claim submission by phone is available by request for employers with 300+ employees

What if I need to reach the claims department?

Claims are administered at the Principal® office in Des Moines, Iowa, and the claims area is staffed from 7:00 a.m. to 5:00 p.m. central time. Or, you can leave a message 24/7.

Phone: 800-245-1522

Fax: 800-255-6609

When should a short-term disability (STD) or long-term disability (LTD) claim be filed?

The short answer for STD—as soon as possible, however, no more than 30 days prior to the date of disability. When the employee is aware they'll be off work longer than the time before benefits kick in, known as the elimination period, they should begin the filing process. For employees who have LTD coverage only, we recommend the LTD claim be filed no later than halfway through the LTD elimination period.

There are plenty of advantages to filing a claim early. Having early notification helps us be proactive in getting additional information we need to make the initial claim decision. It also leads to timely decisions. Once the claim is filed, a claim analyst is assigned to the claim and will be your point of contact for any claim questions you have.

What's needed on the claim form?

There are four sections on the claim form: the HIPAA Authorization, the Employer Section, the Employee section and the Physician section. All four sections must be completed. Note: If you have both Principal STD and LTD coverages and you already filed an STD claim for your employee, there's some simple paperwork needed to complete this transition that we'll send to the employee if they're unable to return to work.

Once the claim is submitted, will more information be needed from the employer?

Yes, occasionally we'll request more information—usually additional medical documentation we're missing.

If your company benefits are based on W-2 earnings for the prior one or two years, you'll need to provide copies of W-2s from those years. For those employed less than one or two calendar years, we'll need earnings from date of hire through the last day worked. If the claim is filed for an owner, make sure to specify this on the form. We'll be in contact to get more information in these cases.

We'll need job descriptions to determine eligibility, as well as information about the physical demands so we can compare them to the restrictions and limitations provided by the employee's physician.

For those with contributory coverage and those who are self-accounting, we request a copy of the enrollment form. This helps us verify that an employee enrolled for coverage on a timely basis. It also shows us what coverages are elected.

What if a claim is filed right after coverage begins?

If the employee has had coverage for 6 months or less at the time of disability or death, we may need to request additional documentation showing the employee was actively working at the time they were eligible for coverage. Additional documentation could include, but is not limited to:

- Emails
- Signed and dated work documents
- Purchase orders
- Other documents may vary dependent on an employee's job/occupation
- Driving logs

Short-term disability claims

What's the expected timeline for an STD claim decision?

We'll reach out to the employee once we've received the initial claim information. Our goal is to make the STD claim decision 10 days after we receive the claim, but it's usually sooner. If we need more information after the claim is submitted, that can affect the timing for the decision. Quick feedback helps keep the claim process moving.

Why do you sometimes need additional information before making a claim decision?

Objective documentation to support the employee's eligibility—such as a physician's office notes, treatment records, hospital records or a physician statement—may be required. If we're waiting for information from an outside source, the decision time will depend on when the information is received.

Are benefits guaranteed once a disability claim is filed?

No. To be eligible for benefits, an employee must meet all qualifications as defined by the policy. Medical information submitted must support the definition of disability and isn't based simply on a physician's opinion. Each claim is reviewed to determine if it meets the contractual requirements for benefit payment.

How often are STD benefit payments issued?

We issue STD benefits on a weekly basis. For routine maternities and some routine surgeries, we offer a lump sum payout for the approved duration period.

How do employees access their Explanation of Benefits (EOBs)?

Online EOBs are available on www.principal.com. Employees establish a username and password, and can be confident their personal and financial information is protected behind a secure site. When new EOBs are available, employees receive automatic email notifications.

Long-term disability claims

What's the expected timeline for an LTD claim decision?

LTD decisions are made 45 days from the receipt of the claim or by the completion of the elimination period, whichever is later.

What options do employees have for receiving their LTD benefits?

Principal offers two monthly LTD payment options:

- 1 **Check.** We'll mail a check to the employee's address. LTD payments are made on the 10th of the month.
- 2 **Electronic Funds Transfer (EFT).** Employees can elect to transfer their LTD benefit funds to a bank account they designate.

Impacts on disability benefits

How is the employee's disability benefit determined?

It's all in the policy, which spells out the percent of benefit or defines a flat benefit the employee is eligible for. The benefit is figured by multiplying the employee's pre-disability income by the benefit percent, less any income from other sources as identified in the policy. The policy may also contain a maximum and minimum benefit payable.

Do other income sources impact the disability benefit?

Our policy supports the integration of other income sources with the benefit the employee is eligible for after satisfying the elimination period. This means the employee's benefit is reduced by the amount of income they are eligible to receive from other income sources, such as:

- **Social Security—employee and family**
- **Worker's compensation**
- **Sick pay and PTO**
- **Paid family and medical leave**
- **State disability benefits**
- **Salary continuance**

When salary continuance is included as an other income source, it means that you cannot pay the difference between their salary and their benefit. Check the contract for full details.

What are benefit duration guidelines?

Principal uses several common industry resources to evaluate the length of disability, as well as our in-house nurses, physicians and outside consultants. We consider each claim to be unique and evaluate every claim individually. Additional factors are taken into consideration when applying duration guidelines, including the employee's age, occupation and possible secondary diagnosis.

Principal claim resources

How can I find out claim status and STD payment information?

Access the online reports on your eService/Employer Portal at www.principal.com. Under Resources, select Reports. Use the dropdown menu to select the report you wish to view and click “view report.” You can find out claim status, the analyst name and contact information, and STD payment information. To set up online access, contact PIN services at 800-621-6280.

What tax services do I have and what tax reports will I receive?

In your eService/Employer portal, under Resources, select Tax Services. This will tell you what tax services you have elected. You’ll receive a mailed daily report every time a payment is made—weekly for STD and monthly for LTD. You’ll also receive quarterly and year-end reports.

What rehabilitation resources are available?

We have access to qualified rehabilitation professionals through vendor services. Our primary goal is to help employees return to work at their regular occupation with their employer. If this isn’t possible, we work with the employee to find alternate placement through a full spectrum of vocational and outplacement services.

Do you help disabled employees apply for Social Security disability benefits?

We emphasize referrals to our onsite Social Security liaison as early as possible. If a claim has been identified as one that might meet the eligibility requirements for Social Security, our liaison begins working immediately to refer the file to a highly respected Social Security vendor. Our vendor works directly with employees to assist in gathering information and submitting the application. They can explain the benefits of Social Security, including Medicare coverage, retirement savings protection, cost of living increases and other benefits. Even if the employee receives a Social Security denial, the vendor will continue to work on the appeal process.

Returning to work

What information does Principal need when the employee returns to work?

We ask that we be notified as soon as possible once the employee returns to work to avoid overpayment. Reach us at 800-245-1522. We'll need to know the employee's name, the date he/she returned to work, any accommodations being made, and whether the employee returned to work full- or part-time.

If an employee stops working for disability or any other reason, does Principal need to be notified?

When an employee stops working for any reason, it's important to review the Continuation section of the applicable STD, LTD or life insurance policies you have with us. This will assist in determining how long premiums are allowed to continue for the employee's benefits. For life coverage, determine if you're responsible for offering the employee the right to convert their policy to an individual policy when appropriate.

What about earnings if an employee returns to work part-time?

Partial benefits can be paid for employees who return to work on a part-time basis. To calculate the benefit, we need information about part-time earnings on a weekly basis for STD and a monthly basis for LTD. Our earnings analysts will request this information from you and will issue any benefits payable once received.

Do premiums need to be continued during STD or LTD?

STD premiums are not waived, so premium should be continued while a person is receiving STD unless employment is terminated or LTD is approved. LTD premium is waived when the LTD claim is approved, based on the date LTD benefits begin.



[principal.com](https://www.principal.com)

Disability insurance from Principal® is issued by Principal Life Insurance Company, 711 High Street, Des Moines, IA 50392.

This summary is not a complete statement of the rights, benefits, limitations and exclusions of the coverage described here. For cost and complete details, contact your Principal representative. This overview of the claim process is not a guarantee of payment or complete statement of the guidelines and requirements of the claim process. Timing goals are not guaranteed.

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