

Privileged Information
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How to Make Your Health and Disability Insurer Pay Your Claim

Many insurance companies use "weasel words" in their policies to mislead policyholders about what is covered.

Example: In disability cases, most people would regard "house confinement" simply as being ill or disabled enough to have to stay home most of the time. But many insurance companies define "house confinement" as not being able to leave the house at all - not even for doctor's appointments or medically prescribed exercise periods. Fortunately, the courts in states that have bad-faith insurance laws (about 26 states, primarily in the West) usually rule against such a restrictive, self-serving interpretation.

It's difficult to interpret a health or disability policy - because the company deliberately wrote it to be as obfuscatory as possible. Courts have held, though, that where the language of an insurance policy is unclear, the language will be construed in your favor and against the insurance company. Stick to your guns if you believe that your interpretation of the policy's language is reasonable. Many courts hold that the reasonable expectations of the policyholder govern the meaning of the policy's language.

Most claim denials are based on exclusions - the fine print on the back of the policy that takes away the coverage described on the front of the policy.