

Disability Sharing



[Editor's Note: This is a guest post from Tom Rairdon, MD, dABA, an anesthesiologist who blogs at [High Income Parents](#). We have no financial relationship. I didn't even know there was such a thing as disability "sharing" until I received this post.]

In light of the recent post and subsequent debates about [ACA plans vs. Medical Sharing plans](#), that led me to investigate the other benefits that the [Christian Care Ministries](#) offer through their sharing programs and add more fuel to the fire so to speak. Truthfully I hope it gives some more financial information to the WCI community.

Under full disclosure I have been a member of the Medi-share plan for the last two years and I have been pleased, but we really haven't put the plan to any kind of test. We have a high maximum "share" amount of \$10,000 yearly. We haven't met our "maximum share" amount in these past two years so the only benefit we realized was the pre-negotiated insurance rates through the network Christian Care Ministries uses. It is the [PCHS PPO Network](#) and every doctor and facility we have ever tried to use has been in that network which was a big part of why we pulled the trigger on changing to a share plan instead of insurance. One of the other programs they offer is call ["Manna"](#) and it operates as a disability "share" (not

insurance, definitely not insurance) in the event that you are unable to perform your job.

The Legal

Right out of the gate on their website the first guideline says:



“While Manna exists to assist its members in time of disability, just as with church benevolence programs, there is no guarantee that assistance will be available. Therefore, neither CCM nor Manna members shall be held liable for any part of a person’s financial obligations. Each member remains individually liable and responsible for their financial obligations at all times. Manna is not disability insurance, nor is it guaranteed in any way. Manna is not, and should never be construed as, a contract for insurance or a substitute for a contract guaranteeing disability insurance. CCM shall not be held liable for a failure to replace any part of a member’s income.”

So there is the out if they don’t believe you are truly disabled. Also the coverage is limited.

Events/Conditions Not Eligible for Sharing

- *The following events/conditions are not eligible for sharing: elective cosmetic surgery, mental illness and depression, pregnancy, chronic fatigue syndrome,*

chronic pain, fibromyalgia, Epstein-Barr Syndrome, causes from acts of war, and Lyme Disease.

- *The following events/conditions will not be eligible for sharing unless surgery is involved: carpal tunnel syndrome, back injuries, and knee injuries. For instance: the member has been diagnosed with carpal tunnel and the doctor states surgery is required. The event/condition will then be eligible after surgery is performed.*



As has already been discussed in [health-care-sharing-versus-health-insurance](#), you have to meet all the qualifications that are stated in the medical sharing plan to also qualify for Manna. You also have to pay a \$50 application fee in order to be considered for the program, which does not guarantee approval. This fee can be waived if applying for healthcare sharing simultaneously.

The disability coverage is broken down into “units” which constitutes \$2200 each. The max benefit is 6 units (\$13,200 per month) or 80% of the verifiable lost income, whichever is lower. This is payable once you have been disabled for 60 days. The extent of the benefit is 12 months after the 60 day

waiting period. Each unit has a \$14 share amount maximum, which is also variable with a \$10 administrative fee, so you are looking at a maximum of \$94 a month “share amount”(not a premium). This amount can be lower if they take in more than they distribute out that month.

Possible Benefit?

Now this got me thinking. We all know that long term disability gets less expensive as you delay the benefit. I looked at disability quotes online for a 40 year old male anesthesiologist. The AMA sponsored insurance DisabilityPro quoted me \$1767 yearly premium for a \$13,500 per month policy payable at twelve months after disability and \$4770 payable after two months. That is a \$3,003 difference.

Manna is only going to cost me \$1128 maximum with the possibility to be even less since it is a “variable share amount.” That is a savings of \$1875, but for \$300 less coverage per month in that first twelve months after disability.

Eligibility [More Info](#)

Age

State

Membership

Are you a member of the American Medical Association?
AMA members receive access to special savings.

Yes No

Choose Your Coverage [More Info](#)

Waiting Period (months)

Benefit Amount (\$)

Total Annual Premium

\$ 4,770.08

Apply by Phone:
1-800-697-1300
(8 am – 7 pm CT, M – F)

Apply Online »

Save Today!

CALL TO BECOME A MEMBER

As a Non-AMA Member You Pay: \$4,770.08
AMA Members Pay: \$3,605.65
AMA Members Total Annual Premium Savings: \$1,164.43

To join AMA and save, call 1-888-627-5883
8 a.m. - 5 p.m. M-F CT

Eligibility [More Info](#)

Age

State

Membership

Are you a member of the American Medical Association?
AMA members receive access to special savings.

Yes No

Choose Your Coverage [More Info](#)

Waiting Period (months)

Benefit Amount (\$)

Total Annual Premium

\$ 1,767.07

Apply by Phone:
1-800-697-1300
(8 am – 7 pm CT, M – F)

Apply Online »

Save Today!

CALL TO BECOME A MEMBER

As a Non-AMA Member You Pay: \$1,767.07
AMA Members Pay: \$1,309.23
AMA Members Total Annual Premium Savings: \$457.84

To join AMA and save, call 1-888-627-5883
8 a.m. - 5 p.m. M-F CT

I've also included some other quotes that I was able to attain by filling out some insurance website filters. Here is one for Guardian.

Guardian

Monthly Benefit of \$17,000

Annual Benefit: \$204,000

You Pay per Month: \$741

So a yearly total of \$8892 but with far better coverage. Here is one that gave me an expected premium price before they collected any of my specific information.

WHAT YOU SHOULD EXPECT TO PAY FOR DISABILITY INSURANCE

Average Monthly

Premium

\$1,059

Monthly Disability

Benefit

\$16000 - \$17000

That translates to \$12,708. Both of these were obviously higher than the DisabilityPro quote but had far better coverage. Obviously each person's situation is unique and you would have to compare your numbers against the disability share program.

More Disclosure

Another data point to all this is I signed up for this program about a year ago and my "variable share amount" has been substantially less than \$94 per month. My average monthly share has been \$30.90 for a total cost of \$371 per year. So there is a substantial price difference.

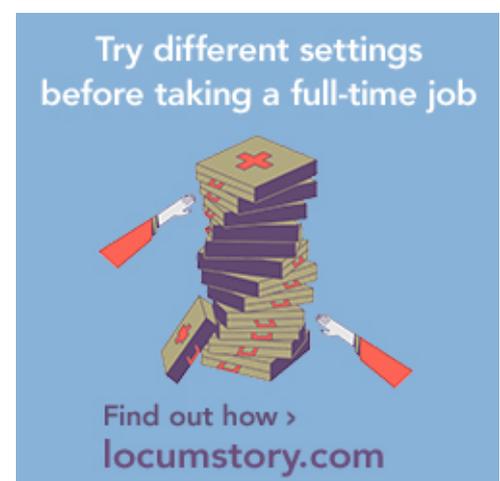
SHARE NOTICES

DATE	STATUS	AMOUNT
02/02/2017	Paid	\$27.16
01/05/2017	Paid	\$26.26
12/06/2016	Paid	\$32.74
11/02/2016	Paid	\$32.50
10/04/2016	Paid	\$38.86
09/02/2016	Paid	\$27.88

More Legal

Christian Healthcare Ministries also says:

“Manna is Secondary to Other Sources of Income Replacement”



Platinum

Level

Scholarship Sponsor

They expect other insurance to cover before they kick in the disability share. It was unclear in the guidelines if merely having other disability insurance from another company disallowed you from getting any Manna benefit or if the disability insurance had to be actually paying a monthly check in order to rule out Manna eligibility.

If Manna will pay the first year this could be a more cost effective way to cover your income in the event of a disability if you don't want to touch your nest-egg or you don't own a nest-egg in the first year of disability. I do not have an affiliation with this program and won't be compensated in any way if any of you decide to go with this program or any other disability share program. I just want to share some information with a community that has immensely helped me over the years.

Conclusion

If you are willing to take the risk of a non insurance disability sharing program it appears you could save a substantial amount of money per year if you need coverage within two months of disability. Some other questions that could come into play are whether this disability benefit is after tax since it is paid with after tax dollars? Could it be considered a gift? Would that make it subject to the gift tax? I imagine it would be just like any other disability benefit but no one was available to answer my question when I called the company.

I think the best course of action is to self insure by having an emergency fund of twelve months expenses so you can purchase the longer wait time fully comprehensive coverage. In the mean time while you are waiting to accumulate that emergency fund this could be a viable alternative.



Platinum Level
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[Editor's Note: The idea of disability "sharing" is intriguing, especially given the impressive cost savings that health sharing has produced over true health insurance in the ACA era. The problem is disability sharing is basically a replacement for a short-term disability insurance policy, which is not one I ever really recommend. I believe you should insure against financial catastrophe. That includes stuff like your house burning down, death of a breadwinner prior to financial independence, serious illness or injury, personal/professional liability, and long-term disability. But short-term disability? That's what your emergency fund is for. I typically recommend 3-6 months of expenses in your emergency fund, and this policy does go out as far as 12 months, but if you still need a disability insurance policy for the period after 12 months of disability, I figure you might as well just buy a "standard" 90 day waiting period long-term disability policy. When these ministries offer a long-term disability sharing program, I would be willing to take another look. I'm also bothered by the extensive list of exclusions including mental illness and back issues, both of which are frequent causes of real disability.]

What do you think? Do you participate in disability sharing? Why or why not? Would you consider it if there were a long-term product? Comment below!