

DISABILITY INSURANCE



WHAT IS A PERSON'S BIGGEST ASSET?

Financially speaking, it's their ability to earn an income. Why? Because that income pays for all the big things (insurance coverage, retirement fund, healthcare, mortgage, college) and all the little things (vacations, child's ballet lessons, dog's treats).

WHAT WOULD HAPPEN IF THAT PERSON BECAME TOO SICK OR TOO INJURED TO WORK AND THAT INCOME STOPPED?

IT HAPPENS EVERY DAY.

- 3,000 Americans become disabled every hour
- A 30-year old is 4 times as likely to become disabled than to die before age 65
- Most disabilities (90%) are due to illness, not injury
- And most disabilities (95%) are not work-related

HOW WOULD ANYONE PAY FOR ALL OF THESE THINGS?

Someone saving 10% of his income for 10 years could be financially wiped out after just one year of disability. An individual disability insurance policy provides income protection:

- Replaces a significant portion of income while disabled
- Pays tax-free benefits with self-paid premiums (not employer-paid)
- Protects retirement plans
- Provides benefits while easing back to work

COVERED AT WORK?

Most group DI plans are capped, not portable if you change jobs, and can be canceled by the insurance company or the employer at any time. So it's worth taking a look at individual disability insurance as a supplement to fill any gaps.

PROTECTION AS VARIED AS THE PEOPLE CHOOSING IT.

Policy basics.

Length of benefit: The length of time an insurance company pays a monthly benefit after a claim has been filed (typically to age 65, but different benefit periods are available).

Elimination period: The amount of time an insured must be disabled before benefits begin. The longer the elimination period, the lower the premium.

Disability definition: Dependent upon occupation and determines how benefits are paid (Own Occ, Transitional Occ, Your Occ, and Any Occ).

Features.

Residual: Another word for partial disability.

Cost of Living Adjustment (COLA): Allows benefits to continuously increase based on an index or set percentage while on claim.

Future Increases (monthly benefit): Without any medical qualifications after policy is issued; sometimes based on income increases.

Other DI protection to consider:

Student loan protection

New professionals program

Retirement protection

Group disability

Business owners: Business Overhead Expense (BOE), Disability Buy-Out (DBO), business loan protection

Specialty solutions: for hard to insure occupations or high wage earners

PREPARE FOR THE WORST AND COUNT ON THE BEST.

No one likes to think about the possibility of becoming sick or injured. But it's nice to know that the mortgage and the family will be taken care of if it happens. We're here to help.



The advisor's insurance advisor.®

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