

## Disability

Disability Insurance When a physical injury keeps you from working, disability insurance can help get the bills paid. In reality, disability insurance is as important as (and in some cases, even more important than) life insurance. More people become disabled than die because at any given age the odds of becoming disabled are much higher than dying. In fact, every year 12% of the adult U.S. population suffers a long-term disability. One out of every seven workers will suffer a five-year or longer period of disability before age 65, and if you're 35 now, your chances of experiencing a three-month or longer disability before you reach age 65 are 50%. If you're 45, the figure is 44%. These odds would not be a problem if people had substantial savings that could be drawn on in the event of a disability. But that's rarely the case, and any money that has been set aside has likely been earmarked for goals such as college or retirement. There are many kinds of disability policies and options, however, the basics are simple. The first variable is the amount of monthly benefit. Most disability policies have a fixed monthly benefit that does not increase with time, although you can purchase extra coverage, or riders, that offer higher payment schedules. The second variable is the definition of disability -- whether it is "own occ." or the inability to perform the duties of your specific occupation, or "any occ." the inability to perform the duties of any job for which your education and training make you qualified. The third variable is the waiting period, or the amount of time you must be disabled before benefits kick in. These waiting periods can range from one week to two years, and the longer you wait the less your disability policy will cost. The fourth variable is the benefit period, or how long you will receive monthly benefits once your policy starts paying. The benefit period can range from six months to life, depending on what you choose as well as what your insurance company is willing to offer you. In addition to these variables, there are other coverage options, as well as a variety of other riders. The most important is a rider that pays if you can only remain or return to work part-time. The Social Security offset rider guarantees that if you qualify for disability payments under your insurance policy but not for Social Security (a frequent occurrence) your disability policy will pay what Social Security should have. Another important option is the additional purchase option, which guarantees you the right to buy additional disability insurance in the future regardless of your health at that time. If you have any questions about Disability Insurance or not sure if you need coverage please contact us for a needs assessment.