



Top 10 Disability Insurance Tips*

The Essentials of Disability Insurance

No one knows what the future holds, so it's important for you to do your best to prepare for what life may bring. To help disability customers through an emotionally and financially difficult time, we created these "10 Simple Tips" to share our point of view and provide guidance and answers to common questions about disability insurance. Certainly everyone's circumstances are different, but these will help you get started and make the best decision based on your specific needs.

- 1. If you or others depend on your income - you need it.**
If you have people who depend on your income - or if you depend on your income – you need disability insurance. Many people may be surprised to learn that social security disability benefits are not available if you are expected to be out of work for less than a year.¹ One year without income could deplete your savings and have a significant impact on your finances.
- 2. Disability insurance replaces a portion of your income when you can't work.**
If you were unable to work due to illness or injury, disability insurance can help to pay your most essential expenses, including food, utilities, school tuition, home and car payments.²
- 3. Most long-term absences are due to illnesses, not accidents.**
While many people think that disabilities are typically caused by accidents, the majority of long-term absences are actually due to illnesses, such as cancer and heart disease. In fact, only 10% of long-term disabilities are due to injury.³
- 4. You need it even if you're young and healthy.**
Almost 1 in 4 of today's 20 year-olds will become disabled before reaching age 67.⁴
What's more, it's easier and less expensive to get disability insurance when you're young and healthy
- 5. The risk of a disability during your working years may be greater than you think.**
The risk of suffering a disabling illness or injury may be more likely than you realize. In fact, the average 20 year old is twice as likely to become disabled than to die before age 67.⁵ Disability insurance helps you to maintain a steady stream of income when you can't work due to illness or injury.
- 6. A good rule of thumb is to protect 60-80% of your after-tax income.**
You will need to meet your essential living expenses if you should become disabled. 72% of consumer expenditures are to cover essential expenses like housing, food, transportation, health care and education.⁶ Visit the easy-to-use [Disability Needs Calculator](#) to help determine what amount of disability insurance is most appropriate for your situation.
- 7. Some disability insurance is better than no disability insurance.**
When budgets are especially tight, it still makes sense to buy enough disability insurance to cover the rent or mortgage and keep your family in their home should you become disabled. Disability insurance is more affordable than you may think. For example, a healthy 35 year-old male may obtain a \$1,000 monthly benefit for an initial premium of approximately \$25 per month.⁷
- 8. Make sure you know how much disability insurance you get at work.**
A good place to start is to see if disability coverage is made available to you at work. You might want to look carefully at coverage, however, since group benefits alone may not be enough due to the amount of income being replaced, potential benefit limitations and types of income covered.
- 9. There is no substitute for good advice.**
Good advice on how much insurance is right for your needs can be found in a variety of places. Some prefer talking to a trained financial professional, while others prefer to do research online. Whichever approach works best for you, taking action to protect you and your family with disability insurance is an important part of a strong financial plan.
- 10. The financial strength and reputation of the company you buy from matters.**
When you purchase disability insurance, the company you buy from is making a long-term commitment to you. If you become disabled, there is a chance you will receive benefits for an extended period of time, so it makes sense to buy from a company with experience, financial strength and a solid reputation.