

Disability Insurance: Now More than Ever



Facing the worst recession since the Great Depression, consumers are deeply concerned about their financial future and are seeking ways to achieve and maintain basic financial security. They are cutting expenses, and putting off vacation plans and other discretionary spending as they seek to rebuild lost savings.

Be Sure to Insure

While Americans are focusing attention on cost-cutting measures, they should also consider bolstering their insurance coverages. Particularly high on their priority list should be disability insurance. Now more than ever, consumers need to understand that their ability to earn an income is their most valuable asset. With their savings and investment accounts depleted and home values significantly lower, they have far less to fall back on should they become ill or hurt and can't work for an extended period of time.

Think about how much you make annually. Multiply that number by the number of years you're likely to work to get an idea of the income you could forego in the event you are disabled and can't work. That large figure is an "asset" you can and should protect with disability insurance.

Disability Insurance Works When You Can't

Disability insurance provides replacement income when you are unable to work and earn a paycheck. And it's a necessity for just about anyone who works. According to a report by the nonprofit LIFE Foundation, your chances of suffering a disabling illness or injury that keeps you out of work for three months or longer during your career is one in four if you're a man, and one in three if you're a woman. You don't want to bet against those kinds of odds.

The Risk of Relying on Government

If you were to become disabled, help from the government is a possibility but not a guarantee. Workers' Compensation is only available to those who have been injured or become ill as a result of their job—but over 95 percent of long-term claims due to illness or injury occur outside the workplace, according to the National Safety Council and JHA. And what about Social Security Disability Insurance (SSDI) Benefits? Each year, about 60 percent of those who apply for SSDI initially are denied. Those who do end up getting benefits often have to wait five months or longer, with an average payment of just more than \$1,000 a month. Living off of \$12,000 a year would be difficult for most people.

You already insure your house and your car. Isn't your ability to earn a living even more important to protect? Remember, a disability can stop your paycheck, but it won't stop your bills. Don't leave you and your family unprotected against the financial devastation a disabling accident or illness could cause.

May is Disability Insurance Awareness Month!

Now is the perfect time to determine if you have adequate disability insurance coverage. To get started, go to the nonprofit LIFE Foundation's online calculator at www.lifehappens.org/disabilitycalculator. This easy-to-use tool will give you a general sense of your coverage needs. The next step is to talk to your benefits manager at work or a qualified insurance professional in your community.



The Life and Health Insurance Foundation for Education is a nonprofit organization dedicated to helping consumers make smart insurance decisions to safeguard their families' futures. Disability Insurance Awareness Month is an industry-wide effort coordinated by the LIFE Foundation. Learn more at www.lifehappens.org/diam.

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