

Why Disability Income Insurance?

If you were unable to work for an extended period of time due to an injury or illness, how long would you be able to pay your bills? Consider these facts:

- The majority of the private sector workforce has no long-term disability insurance.¹
- The average long-term disability absence lasts 2.5 years.
- Historically, less than half of all applicants for Social Security Disability Income (SSDI) are approved and the average benefit is about \$12,700 a year.² This low approval rate and modest benefit mean that the majority of applicants had to find other sources of income to pay their bills.

Disability income insurance replaces part of your income if you become unable to work due to an injury or illness. When deciding how much income a family needs in the event of a long-term disability, many households use a multiple of annual current income. For a family with an annual income of \$100,000, this would mean a disability policy with an annual benefit of \$70,000.

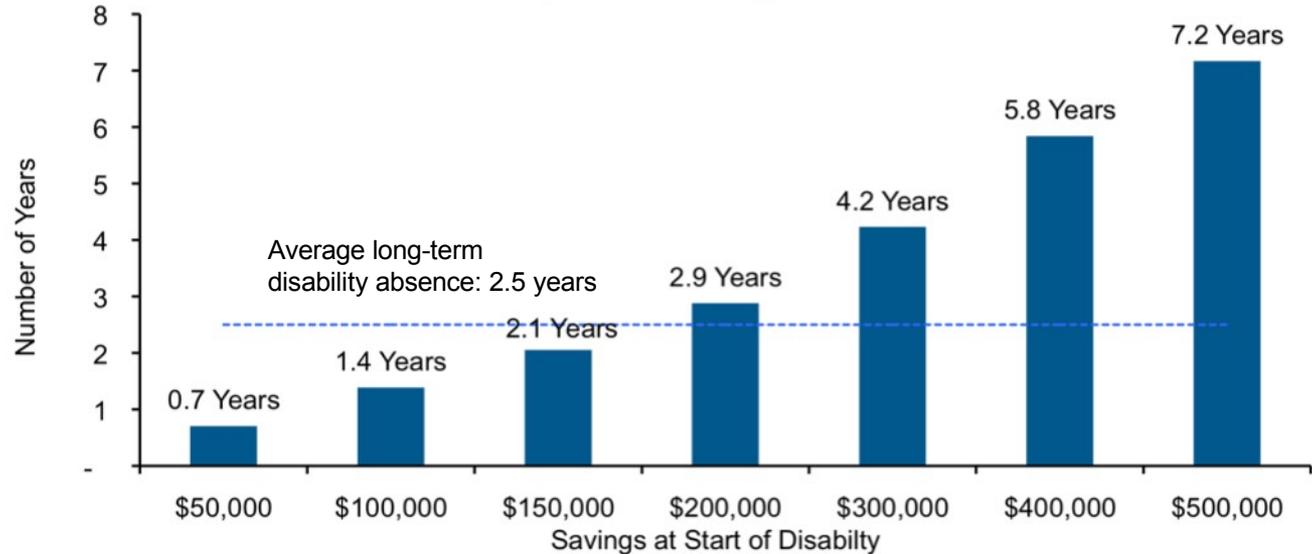
Many working people are beneficiaries of employer-sponsored group policies that remain in effect as long as the beneficiary works for the employer. There may be limits on the benefits provided, so it's important to consider whether the coverage is enough to suit your needs.

¹Source: www.disabilitycanhappen.org.

²Source: Social Security Office of Retirement and Disability Policy.

The chart assumes a family's cost of living is \$70,000 annually, 70% of pre-disability income. Since the average long-term disability absence lasts more than two years, a family can quickly exhaust savings.

How Disability Can Affect Family Savings
(Assumes \$70,000 Initial Annual Withdrawal, 4% Inflation, and 5% Annual Return, Compounded Quarterly)



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