

# What you need to know about ...

## disability insurance

What would you say is your biggest asset?

You might think it's your car, home or maybe your investment portfolio. In reality, it's likely your ability to work and earn an income.

So, what would happen if due to an illness or injury you were unable to work? How long would you be OK before financial difficulties set in?

That's where disability insurance comes in. It provides you with a portion of your income if an illness or injury prevents you from working and earning a living.

Remember, everyday expenses like mortgage or rent payments, utility bills, credit card bills and more don't stop even if you can't work. And medical bills from an illness or injury can often make a bad situation even worse. Disability insurance can help cover this and more.

### How much disability insurance do I need?

In general, you'd need enough disability insurance to cover your monthly expenses, unless you plan on tapping your savings, in the event you couldn't work. But there are other factors you'll want to consider, such as a partner's financial contribution, so using an online Disability Insurance Needs Calculator like the one at [lifehappens.org/dicalc](https://lifehappens.org/dicalc) can be a smart move.

### Disability insurance saves a family—twice: Valerie King

Valerie King says she was “born to be a doctor,” but a chronic illness ended her career. Her disability insurance policy helped this single mom raise her three daughters without financial worries. Discover her story: [lifehappens.org/king](https://lifehappens.org/king).



## What are the types of disability insurance?

There are two main types of disability insurance. **Short-term disability insurance** covers lost income for about three months, while **long-term disability insurance** typically pays a portion of your lost income for anywhere from one year to your entire working life. Often, people opt to have both types of coverage.

## How much does disability insurance cost?

It depends on several factors including your benefit amount, benefit period, occupation, health status, age and terms of the policy. As a general rule of thumb, however, the cost of an individual long-term disability insurance policy is about 1% to 3% of your annual salary.

## How do I get disability insurance?

You may have disability insurance through your employer. This is a nice benefit to have, but it may not be enough. And remember, the coverage ends if your employment there does. Talk with your benefits administrator to find out what kind of coverage you have and the duration.

Having an individual policy that you purchase and own is typically the most flexible and reliable way to get disability insurance coverage. An insurance professional can help you navigate all the options available, from length and amount of coverage, to getting a policy that covers your occupation, to making sure it is budget friendly.

### Long road back: Michael Sizemore

At just 27, Michael Sizemore was struck by a drunk driver and almost died from his injuries. His disability insurance has ensured that he is OK financially, as he is unable to work. Discover his story: [lifehappens.org/sizemore](http://lifehappens.org/sizemore).



## Myths about disability insurance

- ❌ I can rely on Workers' Comp if I get sick or injured and can't work.
- ❌ I don't need disability insurance because I have it through work.
- ❌ I'm young and healthy. I don't need disability insurance.
- ❌ I don't need it because I don't work in a dangerous profession.

Don't let these myths stop you from getting this important coverage. An insurance professional can help you navigate these and more!