



Are Your Clients Prepared? Here's What to Ask Them to Spark the Disability Income Insurance Conversation

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It's not surprising that the economic recession that began in late 2007 has psychologically affected wage earners and caused significant erosion in consumer security and confidence.

Fortunately, the overheated spending patterns, low savings rates, and risky investment practices that contributed to the recession seem to have dissipated. Many workers have realized that they are personally responsible for their own financial well-being, and are seeking a more realistic approach to their personal financial futures. Personal savings rates, for example, topped 4 percent in 2009, reaching the highest rate in 10 years.

The key to an individual's future success, however, hinges on their ability to generate and sustain revenue streams despite potential risks. One significant financial risk that every American worker faces is the risk of losing all or part of their income as a result of illness or injury. Studies by the nonprofit [Council for Disability Awareness \(CDA\)](#) demonstrate that

1. Workers consistently underestimate their risk of becoming disabled for a sustained period of time;
2. Most workers have not appropriately planned appropriately for the possibility of a sustained loss of income resulting from illness or injury
3. Most have very little savings or other means of paying their bills should their incomes be interrupted for even a short period of time.

Of course, individuals can reduce their chances of illness or injury by embracing a healthier lifestyle. However, even the healthiest individuals are not without risk.

According to CDA, about 1 in 3 employees will be disabled for three or more months during their working years. More notably, in a recent survey, more than 70 percent of employees reported they would have a very difficult or somewhat difficult time meeting their financial obligations if their paycheck were delayed for just one week. And even more alarming, 1 in 7 workers can expect to become disabled and unable to work for five years or longer.

Key ways you can help

As a trusted advisor, you can help prospects and clients understand and prepare for the risk that they may lose their income as a result of illness or accident during their working career. Start with the following:

- Help prospects and clients understand the importance and value of their incomes as the economic engine driving their future financial security
- Discuss that there is a significant risk of becoming disabled, using examples, statistics and stories, and emphasize that it can happen to them
- Stress the importance of taking responsibility to secure their financial futures by planning for the chance of disability and taking the steps to protect their income

How to start the conversation

Need help starting the conversation with your prospects and clients? Try the following questions as a guide:

- "Which of your monthly living expenses would continue – or even increase – if your income stopped?"
- "Would your personal savings pay for necessary monthly expenses for one, two, or three months – or even longer? Would your savings cover out-of-pocket medical expenses such as deductibles and copayments? And what if you depleted your personal savings? How would that affect your long-term financial picture?"
- "Does your employer have a sick-pay plan or long-term disability program, or both? Are you participating? When would it start, how much would it pay you and for how long? Is there a gap?"

Remember, you are in a position to help individuals understand their risks and take personal responsibility for their future financial security. By stressing proper planning, you can help them take action – and avoid financial ruin in the event an unforeseen accident or disability strikes.

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