

Five Disability Insurance Myths

Why do Americans forget to insure their paychecks? Because they usually believe one of these disability insurance myths:

Myth #1: Social Security will cover me if I become disabled.

Reality: Social Security only pays benefits to those with total disability, which is defined very strictly. It does not cover partial or short-term disabilities.

Myth #2: I have disability insurance through my employer.

Reality: Many people are fortunate to work for a company that cares for its employees – that's a huge benefit. However, most group disability insurance plans only cover 60 percent of an employee's income with TAXABLE benefits. After taxes, they receive just 42 percent of their income. If they can sustain their lifestyle on 42 percent of their income, they're in great shape. If not, they should consider a supplemental policy.

Myth #3: Disability insurance is too expensive.

Reality: By looking at the value received compared to the cost, disability insurance is actually less expensive than auto or homeowners insurance. For just a few dollars a day, a person can insure millions in tax-free income. There's truly no better deal.

Myth #4: I'm probably uninsurable.

Reality: Very few people are uninsurable. Carriers offer plans for medically-impaired individuals, those who work in high-risk occupations and even for those with high-risk hobbies.

Myth #5: I'm not going to be disabled. I work in an office!

Reality: Seventy-five percent of disability is caused by illness rather than injury, and statistics show that one-third of individuals between the age of 30 and 64 are disabled at least once in their lifetimes. Ask the question, can you afford to go without a paycheck for six months or more?

Now that you understand the facts, you surely agree disability insurance is an essential component of every financial portfolio. And with the lackluster economy, consumer interest in income protection is gaining momentum. There's never been a better time paycheck protection.

The time is now. Here are three important reasons why:

- Rates are lower now than they've been in some time.
- For the first time ever, underwriting is simplified. In fact, many disability insurance carriers are writing up to \$5,000 of coverage each month without the need for medical exams, blood samples and income documentation!
- Limits and options are on the rise. To maximize your protection, consider a combination of critical illness and disability insurance.

Abide by the old proverb, "There's no time like the present." Don't delay – Make paycheck protection your priority.