

INTEGRATED INSIGHTS . . .

Disability Review

When you ask people what their most valuable asset is you often hear of tangible items like “my home, car or savings”. The reality is our most valuable asset is often our ability to earn an income. Most people own life insurance to protect their loved ones or business partners because they understand that someday they will die. Disability insurance is often overlooked due to the “It’s not going to happen to me” mind frame, or simply because people overestimate their current benefits. This is why a disability insurance review is so important.

Benefits of a Disability Insurance Review

- Assure your client is properly protected **before** claim time
- Document coverage details
- Protect your client’s savings and exposure to financial hardship or ruin
- Allow your client and family to maintain their current lifestyle if a disability strikes

Common Misperceptions Regarding Disability Insurance

- “I have good coverage through work.”
- “It’s not going to happen to me.”
- “I’m covered by government benefits or workman’s compensation.”
- “It’s too expensive.”

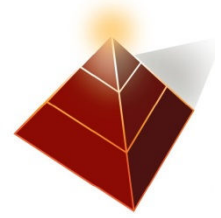
The Statistics

- At least 51 million working adults in the US are without disability insurance.¹
- 40% of all 45-year olds will suffer disability lasting longer than 90 days prior to 65.²
- 1 in 4 of today’s 20-year-olds will become disabled before they retire.¹
- 96% of disabilities are due to illness, 4% are due to injury.³
- The average long-term disability absence lasts over 2.6 years.⁴
- From 2009-2018, Only 32% of Social Security Disability Insurance (SSDI) claimants had their applications approved.⁵
- In 2017, only 1% of American workers missed work because of an occupational illness or injury.⁶

Sources:

1. CDA Family Matters Fact Sheet 2021.
2. Gen Re Disability Fact Book, 2013-2014
3. Social Security Administration, Annual Statistical Report on SSDI Program, 2016 www.ssa.gov
4. CDA Disability Disconnect 2019
5. Social Security Administration, Annual Statistical Report on SSDI Program, 2019 www.ssa.gov
6. Bureau of Labor Statistics, Employer-Reported Workplace Injuries & Illnesses 2017 (CDA Consumer Fact Sheet 2019).

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Key Questions™

Existing Group Coverage

- Do you have any group disability insurance?
- Do you know how it works?
- Do you know if your benefits are taxable when received?
- How long must you wait before collecting benefits?
- What monthly benefit will you actually receive?
- Is bonus income or incentive pay covered?
- How long are benefits payable?
- Will benefits be adjusted for cost of living?
- Is your plan integrated with Social Security?
- Do you know if your group plan is portable?
- Is your group disability coverage enough?

Existing Individual Coverage

- Do you have any individual disability insurance?
- Can premiums increase in the future?
- Is your policy guaranteed renewable or non-cancellable?
- What is your monthly benefit amount? Benefit period? Elimination period?
- Do you know what your policy's definition of disability is (own or any occupation)?
- Are benefits paid if you are partially disabled (residual rider)?
- Does your policy provide for inflation protection or benefit increases?
- Do you know what additional riders or features are included on your policy?
- Are there any waivers or exclusions?

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