

Protection for When You're Most Vulnerable

How Disability Insurance can Provide Income When You Can't Work

By Kevin Bayani

What would you do if you were physically unable to work? Everyone who has a job is familiar with what can happen if they lose it, but consider what happens if the loss of their job is caused by disability. The possibility of becoming seriously disabled is higher than you think, therefore you have to be prepared. Just over one in four of today's twenty-year olds will become disabled before they retire.

Your biggest asset is not your home or car, it is your ability to work. Yet more people understand the need to insure their home rather than the need to protect their ability to earn their income. Disability insurance can protect your biggest and most important asset.

Anybody who has a job has a need for disability insurance. A sudden decrease in income can have serious financial consequences. Most of us have some kind of debt: student loans, mortgages, credit cards, etc. Would you be able to maintain your way of life if you were too ill or injured to go to work? You have to be prepared to protect yourself and your family from such an event.

Those who think Social Security or worker's compensation will cover them better have enough saved for emergencies. 65% of initial Social Security Disability (SSDI) applications were denied in 2012. The people who did receive SSDI benefits got an average of \$1,130 a month. Consider your monthly bills and it's clear that \$1,130 is probably not enough to maintain your standard of living. Additionally, most people have only accumulated enough savings to last just one month without any income. This is alarming considering the duration of the average long-term disability claim is 31.2 months.

Disability insurance can provide supplemental income based on your regular annual income. The insurance company will calculate a monthly benefit that you would be entitled to should you become disabled. These benefits are guaranteed as long as your premium is paid and you've met the disability requirements.

An individual's need for disability insurance is self-evident. However, small businesses as well as corporations should be covered. The inability for key individuals to work could put the company at substantial financial risk. Sole proprietorships and partnerships are the most vulnerable, but corporations built around one or two people are also at significant risk.

As mentioned in the opening, disability happens more often than you think. There are over 37 million Americans classified as disabled, and more than 50% of those disabled are in their working years, from 18-64. The most common causes are not accident related either. Approximately 90% of all disabilities are caused by illness.

We don't hesitate to insure our homes, cars, or other valuable possessions. Why not insure something more valuable than all of those things?

Contact us today to discuss how disability insurance can protect you and your loved ones.

Kevin Bayani
201-489-1118

kbayani@ae.cadaretgrant.com
320 Palisade Avenue Bogota, NJ 07603

