

Disability Income Needs Analysis

An essential piece of an income protection plan

Need: Income Protection

A disability income insurance policy is about helping to preserve your lifestyle and support the people who rely on you if your income is lost due to an illness or injury.

Your most valuable asset is your income. Your income is essential: it puts food on the table and a roof over your head. Without your income, how would you provide the basics? What would become of your lifestyle?

A Lifetime of Earning Income

Your ability to earn an income sets the table for your way of life. Consider how much you will earn throughout your working lifetime:

| Age | Years Until Retirement | Annual Income | | | |
|-----|------------------------|---------------|-----------|-------------|-------------|
| | | \$40,000 | \$50,000 | \$75,000 | \$100,000 |
| 30 | 35 | \$466,615 | \$933,230 | \$1,399,845 | \$1,866,461 |
| 40 | 25 | \$390,552 | \$781,104 | \$1,171,656 | \$1,562,207 |
| 50 | 15 | \$277,959 | \$555,919 | \$833,879 | \$1,111,838 |
| 60 | 5 | \$111,295 | \$222,591 | \$333,886 | \$445,182 |

*assumes the lump sum needed earning 4% to replace the income until retirement NOT including inflationary increases in income.

Disability Can Happen

A disability can happen in many ways and occurs more often than you may realize.

Sickness:

Cancer – Lifetime chance of developing cancer is slightly less than 1 in 2 for men; a little more than 1 in 3 for women ¹

Heart Attack – About every 34 seconds, an American will suffer a heart attack ²

Stroke – Stroke is the leading cause of serious long-term disability in the United States³

Accident:

Home – 54.2 percent of injuries occur at home ⁴

Work – 13.1 percent of injuries occur at work ⁴

Car – 9.0 percent of injuries occur in motor vehicles ⁴

What to do?

Without an income, your options to make ends meet may be limited, or unavailable: Spouse work? Use savings or investments? Borrow? Sell Assets?

The Solution

Your Occupation: _____

Annual Income: _____

Monthly Income: _____

Qualified Amount: _____

(monthly) Generally Annual Income/12 x 60%

(subtract)

Existing Insurance: _____

(monthly)

Amount of Additional Disability Coverage Needed: _____

(monthly)

(Qualified Monthly Amount - Existing Coverage)

What's Your Budget?

Disability Insurance's annual pricing for most occupations is typically 1% - 3% of your Annual Income. This does not include the pricing for many valuable riders that you can choose to enhance your coverage.

| Income | Generic Pricing Structure | | |
|-----------|---------------------------|---------|---------|
| | 1% | 3% | 5% |
| \$40,000 | \$400 | \$1,200 | \$2,000 |
| \$50,000 | \$500 | \$1,500 | \$2,500 |
| \$75,000 | \$750 | \$2,250 | \$3,750 |
| \$100,000 | \$1,000 | \$3,000 | \$5,000 |

Your Budget? _____

Your Name: _____

Your State: _____

Your Contact Info: _____

¹Cancer Facts & Figures. American Cancer Society (2018). ²Heart Disease & Stroke Statistics. American Heart Association (2018). ³Stroke Awareness Foundation. Stroke Facts (2018). ⁴Injury Facts: 2015 Edition. National Safety Council (most recent available).