



Disability Income Insurance

Protecting Your Financial Future

A Client Education Presentation



What is Disability Income Insurance?



Disability Income Insurance helps replace a portion of lost income if an individual becomes unable to work due to illness or injury. It provides financial security and peace of mind.

Why is Disability Income Insurance Important?



1 in 4 workers will experience a disability before retirement.



Health insurance covers medical bills, but not lost income.



Helps maintain lifestyle and financial stability during recovery.

How Does It Work?

Provides a percentage of income if the policyholder becomes disabled.

Benefits typically start after an elimination period.

Coverage duration and payout amounts vary by policy.





Types of Disability Income Insurance

- **Short-Term Disability (STD)** – Covers temporary disabilities, typically 3-6 months.
- **Long-Term Disability (LTD)** – Covers extended disabilities, often lasting years.
- **Own-Occupation vs. Any-Occupation** – Determines eligibility for benefits.

Who Needs Disability Income Insurance?



Self-employed individuals



High-income professionals (doctors, lawyers, business owners)



Employees without adequate employer-sponsored coverage



Anyone relying on their income to support their family

Key Benefits of Disability Income Insurance



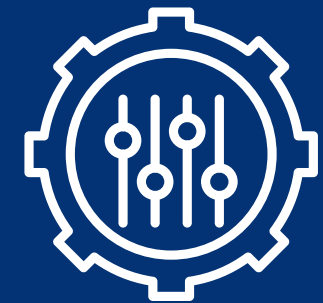
**Replaces lost
income due
to disability.**



**Helps cover
expenses and
financial
obligations.**



**Provides
peace of
mind and
financial
security.**



**Can be
customized
with riders for
additional
protection.**

Common Misconceptions

- **'It won't happen to me'** –
1 in 4 workers experience a disability.
- **'Workers' Comp will cover me'** –
Only applies to work-related injuries.
- **'I have savings'** –
Most savings won't last through a long-term disability.



Cost vs. Value

"A small investment in disability income insurance can safeguard your financial future—protecting you from hardship, debt, and the unexpected."



Premiums are a small fraction of potential lost income.



Protects against financial hardship and debt accumulation.



Provides a safety net during unexpected life events.



Q&A

1. When Will the Person Begin to Receive Benefits?

- ✓ The waiting period (elimination period) is the time between the onset of a disability and when benefits begin.
- ✓ Typical options include: 30, 60, 90, 180, or 365 days—with 90 days being one of the most common choices.
- ✓ The longer the waiting period, the lower the premium, but it also means the insured must cover expenses out-of-pocket during that time.



Q&A

2. How Much Benefit Will the Person Receive?

✓ Disability income insurance typically pays a percentage of pre-disability income—often 60% to 66% of gross income.

✓ Is it taxable?

- If the employer pays the premium → Benefits are taxable.
- If the insured pays the premium with after-tax dollars → Benefits are tax-free.



Q&A

3. How Long Will the Benefits Last?

✓ The benefit period is how long payments will continue while the person remains disabled.

✓ **Common options include:**

- 2 years
- 5 years
- Until age 65 or 67 (or normal retirement age)



Q&A

4. What If the Person Returns to Work Part-Time?

- ✓ Many policies include a partial or residual disability benefit, which provides partial payments if the insured can return to work in a limited capacity.
- ✓ **Example:** If the insured can work 50% of their previous hours, they may still receive 50% of their benefits to help cover lost income.



Q&A

5. What Are Some Ways to Qualify for Benefits?

- ✓ Disability insurance typically requires proof of loss of income, loss of time, or an inability to perform job duties.

- ✓ **Common qualification triggers include:**
 - Unable to perform own occupation or any occupation, depending on policy terms.
 - Loss of 50% or more of income due to illness or injury.
 - Loss of time from work, even if not a complete income loss.

Protect Your Paycheck



"Your ability to earn an income is your greatest asset—protect it with Disability Income Insurance, so if the unexpected happens, you can focus on recovery, not financial stress."

Secure Your Future with Disability Income Insurance

If you're ready to explore your Disability Income insurance needs, now is the perfect time to take the next step toward securing your future.



Have any questions or want to
schedule a consultation?

(800) 998-7715

www.psmbrokerage.com