

IT'S YOUR LIFE

How Long Can You Go Without a Paycheck?

As the world continues to change and evolve, you may have started to rethink your overall financial plans. Now may be a good time to revisit any disability income policies you have, or that you might need, to protect your family in the event of a long-term disability.

Consider this: If your ability to work were suddenly interrupted by a disabling injury or sickness, how long could you pay your day-to-day family costs, keep your business open, and make your monthly payments? Would your long-term plans based on a steady income — vacations, college funds, retirement, etc. — have to be given up for lack of cash? How long could you go without an income before needing help?

Before the normal retirement age, the probability of a 20-year-old becoming disabled is one in four¹. Disabilities resulting from sickness or injury are risks we all face, and they can strike anyone, at any time, and potentially impede or destroy the ability to earn an income.

Without a plan to protect your income, you may be putting the future of your business and family in jeopardy. While May is known for warmer weather and Mother's Day, it is also Disability Insurance Awareness Month. A disability insurance policy can help offer peace of mind by providing a monthly income if you are unable to work due to an injury or illness.

When choosing a policy to protect your income, there are several key variables to consider. One of the most important features of a disability policy is the definition of disability. Some products are based on the individual's inability to work at their specific occupation, and some are based on the inability to work at any occupation for which the individual is reasonably qualified. A policy that bases the disability benefit on whether or not you can perform your regular "own" occupation is preferable to one that uses an "any" occupation definition. Here are other key things to look for:

- **Renewability** – Can the insurance company change the premium or benefits after the policy is in force? A "Non-Cancelable" policy guarantees the insurer cannot modify the policy in the future.
- **Rehabilitation Benefit** – Occupational training may be provided to help an insured return to work in their own occupation, or one for which they are reasonably suited.
- **Partial Disability** – What happens if the insured can still work part time? The ability to work limited hours and still receive a benefit can be desirable.
- **Additional Benefits** - Disability policies can also offer custom riders that can expand or improve the existing benefits.

Protect your most valuable asset – the ability to earn an income. Contact your local [marketing representative](#) to discuss ways that Federated can help you address the catastrophic impact of a disability.

¹ Social Security Administration, Actuarial Note 2021.6

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