

How much disability insurance do you need?

If you're like most of us, it wouldn't take long for a serious disability or illness to take its toll on your family's lifestyle and future security. Research shows that **58%** of all working Americans couldn't go a week without a paycheck before financial difficulties set in.¹

That's why group disability insurance is so important. Since the average disability claim lasts approximately three years,² this coverage can help make sure that your family has protection to maintain their quality of life—and do so until you are fully recovered and back on the job.

The only question is: How much coverage will it take?

Since everyone's financial situation is different, we've provided a worksheet which may prove helpful. Simply add up all your expenses (A), subtract any potential sources of income (B), and the difference (C) should give you a rough idea of the monthly benefit you need.

Income Replacement Worksheet:

Let's Run the Numbers...

Monthly Expenses

Housing (<i>rent, mortgage, maintenance fees</i>)	\$ _____
Utilities (<i>phone, water, electrical</i>)	\$ _____
Insurance (<i>auto, home, health, life</i>)	\$ _____
Transportation (<i>car payments, train/bus passes, gas</i>)	\$ _____
Childcare, Afterschool Care	\$ _____
Education (<i>college, private school, pre-paid tuition plans</i>)	\$ _____
Food, Clothing	\$ _____
Alimony Payments, Child Support, Structured Settlement	\$ _____
Debt Payments (<i>student loans, credit cards, business loans</i>)	\$ _____

A. Total Expenses: \$ _____

Monthly Income (after taxes)

Other Wages (<i>spouse, children, live-in relative</i>)	\$ _____
Rent, Royalties, Trust Payments	\$ _____
Alimony, Child Support, Structured Settlement	\$ _____
Investment Income	\$ _____
Individual or Company-Sponsored Disability Plan	\$ _____

B. Total Income: \$ _____

C. Estimated Monthly Shortfall or Profit (A – B) \$ _____

There may be other factors to consider.

While this worksheet should provide a reasonable estimate of the amount of disability insurance you need, it may not account for everything. For example, you may want to add more coverage if you want to continue funding your retirement plans or have other responsibilities such as supporting an elderly parent or recent college graduate. Be sure to add any relevant information and adjust your findings accordingly.



Workplace coverage has limitations.

If you already have disability insurance at work, it's important to remember that coverage is typically limited to 50%-60% of your annual salary. What's more, any benefits you receive will be 100% taxable if your employer pays the premium. Consult with your personal tax advisor for more information. Since both these factors will limit the amount of money you ultimately receive, you may want to use a group or individual disability insurance to supplement your coverage and replace more of your income. Moreover, your workplace coverage may not offer illness and injury coverage, or any benefits related to your specific occupation. This could leave you without protection, or force you to accept reduced benefits, if your health allows you take a position with less responsibility—and pay—than you currently enjoy.

Act now to protect your family's standard of living.

Given the important role disability insurance can play in protecting your family's lifestyle, now's the time to make sure you have all the protection you need. If you have any questions or would like to learn more* about group disability insurance available through [\[Association/Affinity Group Name\]](#), please visit [\[URL\]](#) or call us directly at [\[Phone\]](#).

*Including features, costs, eligibility, renewability, limitations, exclusions and more.

¹ "With inflation stubbornly high, 58% of Americans are living paycheck to paycheck: CNBC survey," CNBC, April 11, 2023.

² "How long do long-term disability insurance benefits last?," Policygenius, November 3, 2022.

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