



The Need For Income Protection Insurance

(NAPSA)—If you're ever unable to work due to injury or illness, you can still protect yourself and your family with disability income protection insurance.

"It's important coverage, but many consumers either don't realize they don't have it or think they don't need it," says Matt Gilligan, Vice President, Disability Product Management, UnumProvident Corporation. UnumProvident is the leading provider of protection insurance.

Most disabilities are temporary in nature, and so it is more important than ever to have the financial "safety net" provided by income protection insurance while focusing on recovery. And today's policies go beyond financial benefits to include clinical and vocational support to assist individuals in returning to work and productivity.

Five Reasons I Don't Need Disability Income Insurance

1. *It won't happen to me.* Some 30 percent of those 35 to 65 suffer a disability for at least 90 days.¹ During your career, you are three-and-a-half times more likely to need disability coverage as life insurance.² Forty-eight percent of home foreclosures are due to disability, only three percent from death.³

2. *My employee benefits cover disability.* Health insurance would cover the medical costs, but what about your salary? A recent survey found 64 percent thought major medical plans provide disability benefits. Nearly a third thought disability insurance was the same as workers' compensation insurance.⁴ For those with employer-provided disability insurance, the typical policy generally covers 60 percent of an individual's income and the benefit is taxable.

3. *I have enough savings and investments.* Savings can be depleted quickly during a disability. Don't forget there are stiff penal-



One reason for disability income insurance: Neither major medical nor workers' comp provides income protection benefits for injuries or illnesses that occur off the job.

ties for withdrawing retirement investments. Most people have savings to cover less than six months of expenses.⁵

4. *I have Social Security.* The benefit for a 30-year-old single individual making \$60,000 is \$1,600 a month. The benefit for a 50-year-old married individual making \$100,000 is \$2,700 a month. There often are long waits before benefits begin.

5. *We can live comfortably on my spouse's income.* A disability could mean additional expenses. One spouse's disability can greatly reduce the other's earning power, and living on one, reduced income can be tough when you're used to living on two.

"As with any insurance, it's best to be prepared. Many employers now offer a base level disability income protection insurance," Gilligan advises. "But if your employer does not offer it, or if the coverage doesn't adequately protect your income, think about an individual policy. Talk to your employer about a supplemental policy or call your insurance agent," he adds.

¹Health Insurance Association of America; *The New York Times*, February 2000

²Health Insurance Association of America, 2000

³Housing and Home Finance Agency of the U.S. Government, 1998

⁴Million Dollar Round Table Survey, 2002

⁵*Business Almanac*, 1997