

Income Protection – *Choices made easier*



How do you know whether you need

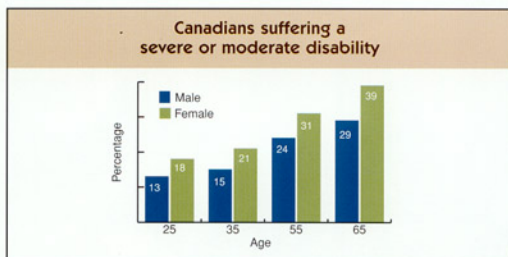
Disability Insurance?

You don't know!

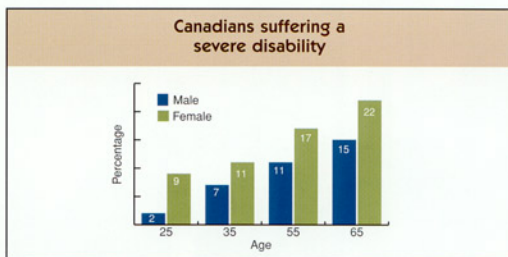
However, given Canadian statistics, chances are that you will need disability insurance at least once during your lifetime.

Consider what is at risk:

- *your ability to earn an income*
- *your family's lifestyle*
- *your retirement savings*
- *your assets (you may have to liquidate to pay your bills)*
- *your dignity*



Source: Statistics Canada, Health Statistics Division



Source: Statistics Canada, Health Statistics Division



Source: CIDA 1988

There are many reasons why anyone would consider purchasing Disability Insurance. Here is what some of our own clients say:

"... I guess no one ever knows the real meaning and importance of disability insurance, until you're on the receiving end of it."
~ Toronto, Ont.

"... The stress that one doesn't have to experience when you know that the basics such as rent are covered, certainly allows for a better recovery..." ~ Vancouver, BC.

"...Many people told me that I was wasting my money, but without your support I don't know what I would have done." ~ Victoria, BC.

How do you decide which Disability product to consider?

Know your need

- how long can you wait for your disability insurance payments?
... Many people have assets, but how liquid are those assets?
- how much do you need?
... Use the Disability Insurance worksheet to determine the minimum amount you would need.
- do you need protection if you are not totally disabled?
... Did you know that a Disability Insurance plan can pay even though you are back at work after a disability?

Know your cash flow

- how much can you afford to pay for your disability insurance premiums?
... Actually the question should be how much can you afford not to pay. Did you know that a 6 month disability can wipe out 10 years of savings (assuming you've saved 5% each year)?

Did you know that your Disability Insurance policy can refund a portion of your premiums if your claims are negligible?

Know your taste

- do you want the most comprehensive plan?
... Do you like to be in the driver's seat?
- do you want the most basic plan?
... Do you choose public transportation?
- do you want a middle-of-the-road plan?
... Do you prefer to be in the passenger's seat?

What is the minimum amount of Disability Insurance you need?

In 1997, of their total expenditures, the average household in Canada spent:

6% on recreation
2% on tobacco products and alcoholic beverages
0.5% on games of chance

Example:

A family earning \$50,000 (after tax) annually, would have spent:

\$3,000 on recreation
\$1,000 on tobacco products and alcoholic beverages
\$250 on games of chance

How much are you willing to spend for insuring your income?

Source: StatsCanada, Income Statistics Division

Current monthly income:

Take home pay \$ _____
Bonuses \$ _____
Investment Income \$ _____
Other Income \$ _____
Total monthly income \$ _____ (1)

Monthly expenses:

Mortgage or rent \$ _____
Credit Card payments \$ _____
Food \$ _____
Alimony, Child Support \$ _____
Utilities \$ _____
Personal care (clothing, hair etc) \$ _____
Education Expenses \$ _____
Savings \$ _____
Medical/Dental bills \$ _____
Insurance \$ _____
Total Expenses \$ _____ (2)

Current monthly coverage:

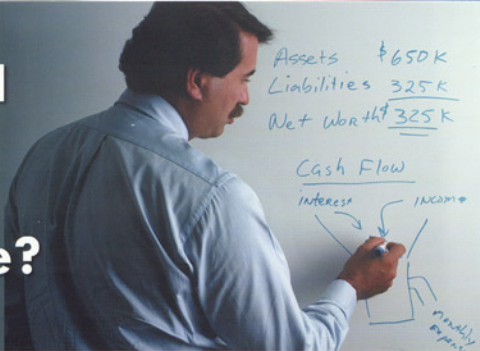
Group Long Term Disability \$ _____
Individual Disability Insurance \$ _____
Other \$ _____
Total current monthly coverage \$ _____ (3)

The minimum amount of coverage needed (2-3) \$ _____

Disposable income (1-2) \$ _____



Confused about Disability Insurance?



By now you have heard about the importance of protecting your greatest asset – your ability to earn an income. And you have probably heard about different statistics on the probability that you too one day may become disabled.

However, the tough questions still remain to be answered:

1. **How much**
insurance do you need?
2. **Which products**
should you consider?
3. **Why**
do you need Disability Insurance?