

Comparing short term disability insurance and long term disability income insurance plans:

- Most plans will only pay up to 60% of your income but be sure that the percentage isn't any less. Be ready to verify your stated income.
- Find out how a policy defines a disability. *Own-occupation* will provide a benefit if you are unable to perform the duties of your "own occupation" (your current field of work). *Any-occupation* is a lower priced plan but to receive benefits you must be unable to work at *any* job.
- See what the *Waiting Period* options are. Usually the longer the waiting period, the lower the premiums. However, you will need an emergency fund, sick leave benefits etc. to support yourself during this period.
- How long are benefits received? Two to five years will probably not be sufficient. If affordable, select an option that pays to age 65. You will then have income from social security.
- Ask about *Residual Benefits*. Will you receive reduced benefits if you are only able to work part-time?
- Look to see if the plan proposes a *guaranteed renewable* or *non-cancelable* policy? If non-cancelable, your premiums will not go up, however there will almost certainly be an additional cost to have this type of guarantee.
- Can additional coverage be purchased at a future date regardless of your health?
- A *cost of living rider* will assist benefit payments (after you become disabled) in keeping pace with inflation.

➤ Can benefit payments be *coordinated* with benefits received from Social Security. This *Social Security rider* could save you money.

➤ *Waiver of Premium*, an option with many plans, would allow you to quit paying premiums once you are disabled. This could be very important to you.

➤ Make sure the company you are considering doing business with is Financially Sound (your broker can assist you with this). You don't want to be looking for another policy later in life (when you are older and possibly not as healthy) because the company had financial setbacks.