

## DISABILITY INSURANCE

### Disability defined: make sure you receive the coverage you need

When it comes to disability insurance, not all policies are created equal. The most important factor you should examine is how a “disability” is defined.

#### THERE ARE THREE COMMON TYPES OF DISABILITY COVERAGE:

- > **“Any occupation”** coverage considers you to be disabled only if you are unable to work at any job for which you are qualified by education, training or experience.
- > **“Regular occupation”** coverage is much better than “any occupation” coverage. You are considered to be disabled if an illness or injury prevents you from performing the duties of your regular job.
- > **“Own occupation”** coverage generally defines “disability” the same way as with “regular occupation” coverage, but adds a significant benefit. You can continue to collect disability payments even if you choose to work at a different job. It’s the best coverage, but more expensive and only available for certain professions.

You should also find out if coverage changes over time. For example, many group plans provide “regular occupation” coverage for the first one or two years of a disability, then switch to “any occupation” coverage.

### Talk to your Assante advisor

Is your income protected if an illness or injury prevents you from working? You may want to talk to your Assante advisor about disability insurance.

Assante provides integrated wealth management solutions to simplify and enhance your life. Your Assante advisor will assess your financial requirements in order to choose the best solution for you from a number of leading financial service providers.



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## PROTECT YOUR FAMILY'S LIFESTYLE IN THE EVENT OF ILLNESS OR INJURY

### How would you cope financially if an illness or injury prevented you from working?

Think of the income that you make in one year. Now imagine lasting a year – or more – without earning a dollar.

### How would you provide for yourself and your loved ones? Could you live off your savings?

Unfortunately, it's a situation you must consider. During working years, about half of all Canadians will suffer a disability that lasts for more than three months. On average, such a disability will last for almost three years.\*

Some of the more common disabilities involve accidents resulting in serious injuries, psychological illnesses, stroke, heart disease, and musculoskeletal conditions such as back problems.

If you are self-employed, how would you provide for yourself and your loved ones if you couldn't work? Or if you receive long-term disability insurance as an employee benefit, does your group plan provide all the protection you need?

\* Based on Commissioner's IDA Morbidity and Commissioner's SO Mortality Tables, Society of Actuaries.

### Your solution? Insure your income with disability insurance

Your income supports your lifestyle, and just one accident or extended sickness can take away your income and the lifestyle you and your family enjoy.

Also, if you suffer a disability, you'll want to focus your energy on recovering. The last thing you need are financial worries.

That's why disability insurance is so important. With disability insurance, you receive tax-free monthly benefits that help replace your lost income. Typically, you can receive benefit amounts that represent more than half of your income before tax.

So you can take comfort knowing that your bills will be paid and your financial security is protected.

You'll see that disability policies can vary widely from insurer to insurer and that each policy offers different coverage choices. For example, you'll decide how many months you want to wait before benefits begin – the longer you wait, the lower your premiums. You'll need to consider the maximum period for benefits to be paid, from as short as two years to as long as up to age 65 and beyond.

This flexibility gives you the opportunity to get a customized policy with a premium that's reasonable for you. Your Assante advisor will be especially helpful in finding and fine-tuning the disability insurance policy that meets your needs.

## CUSTOMIZING YOUR COVERAGE

With disability insurance, you may choose from a variety of options to customize your policy, often including:

- > **Waiver of premium** – With this option, you do not have to pay premiums on your disability policy while you're disabled and receiving benefits.
- > **Refund of premiums** – If you have not made a disability claim after a specified period, then you receive a refund from your premiums paid.
- > **Retirement savings** – Losing your regular income can jeopardize your overall financial plan, including saving for retirement. But with this option, payments will be deposited to a retirement savings account while you're disabled.
- > **Cost of living adjustment** – Your benefit payments are periodically increased to keep pace with inflation.
- > **Partial disability** – If a disability still allows you to work, but at a reduced level based on time or duties, you receive a percentage of the usual benefit.
- > **Residual disability** – If a disability still allows you to work, but limits your income, you receive a percentage of the usual benefit.
- > **Future income option** – If your health changes in the future, you are still able to increase your coverage.