

## Disability Income Insurance for Business Owners

One of your greatest assets is the ability to earn an income. If you were to lose that ability due to a disabling accident or illness, how would you pay your bills, send your kids to college, and save for retirement?

A disability can create substantial economic hardship for individuals and their families. As a business owner, both your personal finances and your business could be at risk.

One way to help protect against the financial loss associated with a disability is to purchase disability income insurance. If you pay the premiums, an individual policy can provide you with a tax-free income stream while you are unable to work.

### Weigh Your Options

When evaluating disability income insurance policies, it's helpful to consider the following.

**Definition of disability.** You can typically choose between “own occupation” coverage and “any occupation” coverage. With “any occupation” coverage, you can claim disability only if you are unable to perform any type of job. This type of coverage is generally less expensive than “own occupation” coverage.

**Amount of monthly coverage.** You can purchase disability insurance that will replace a certain percentage of your income —normally up to 50% or 60% of your pre-disability income. You should purchase coverage that will enable you to meet your monthly financial obligations.

**Waiting period.** The waiting period represents the amount of time that must pass between the date you become disabled and the date that disability income payments begin. The longer the waiting period, the less expensive coverage will be.

**Benefit period.** The benefit period can range from several months to life. The longer the benefit period, the higher the cost of insurance.

A disability income insurance policy could make the difference between financial security and financial hardship. Don't wait to consider this protection until it's too late.

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