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Disability: It Can Happen to You

If you and your family rely on your continuing ability to earn an income in order to pay the bills, then disability may be the biggest threat to your financial well-being.

According to the Council for Disability Awareness, the average 35 year-old male of typical height and weight working in an office job has a one in five chance of becoming disabled during his working years for up to three months. Of those people, four in ten will face a disability that lasts for three months or more.

For the average 35 year-old female, the chances of encountering a disability are even higher: one in four.

That's what happened to Kristen, a 35 year-old dentist in great health. Smart, educated, and physically active, Kristen was doing quite well professionally, but thought it was time to start a family.

She chose in-vitro fertilization, but the IVF treatments caused her ovaries to become inflamed – a condition affecting between three and six percent of all women going through IVF called Ovarian Hyperstimulatin Syndrome.

In the vast majority of cases, the condition resolves quickly, and with minimal medical treatment necessary.

But Kristen was among the unfortunate and very rare cases that developed a blood clot, resulting in long-term paralysis on her left side and confining her to a wheel chair for months. Even with decent medical coverage, her medical bills were piling up, just as she was no longer able to earn a living as a dentist.

"I was in perfect health and had my life planned out one day, and the next I was partially paralyzed and my life turned upside down," she says.

After spending months in rehab, she finally regained partial use of her left arm, but the financial damage was already devastating.

Kristen would have greatly benefited from individually-owned disability insurance. This is insurance that kicks in when the insured becomes disabled and unable to work. Most disability insurance policies will replace between 50 percent and 65 percent of pre-disability income – generally enough to pay the mortgage or rent, food, and other basic living expenses while giving you time to recover.

Very likely, Kristen would have also benefited from long-term care insurance. This coverage pays for skilled or unskilled nursing assistance and support with activities of daily living that are not covered by major medical insurance, or by Medicare or Medicaid.

Eventually, Kristen was able to qualify for SSDI – a small monthly disability stipend that's part of Social Security. It took her two years, however, to qualify and actually receive benefits, and by that time, much of the financial damage had already been done.

"Everyone needs to prepare for the financial impacts that come when the unexpected happens," advises Kristen. To learn more about disability insurance or long-term care insurance, talk to one of our agents today.