



Insurance Broker Susan D. Wier (second from right) sits down with client Francie Prier and her children.

LARRY PRIER is as smart as they come. After graduating from MIT, he quickly rose through the corporate ranks, securing a position that took him and his wife, Francie, around the world.

When Larry returned to his company's headquarters in Indiana, he and Francie had two young children and knew it was time to review their finances. They met with their insurance agent, who determined that Larry needed more life and disability insurance to protect his family.

After studying his employer's benefit package, Larry's agent suggested that he take advantage of the company's dis-

Smart DECISIONS

ability income plan. It would replace 70 percent of his total compensation if he were unable to perform his job due to illness or injury.

Less than a year later, Larry, 39, noticed deterioration in his penmanship. It was the first symptom of Multi-Systems Atrophy, a form of Parkinson's disease. Larry could still work, but over time he became unsteady, couldn't project his voice, and had trouble swallowing. So at the age of 46, Larry went on long-term disability.

Disability benefits provided much-needed income and paid for private nurses while Francie worked. When Larry's condition deteriorated, the policy helped him afford the best long-term care facility available.

To this day, Larry's disability benefits remain the primary source of income for his family, and his life insurance coverage will be there for them when he's gone.

The Risk of Disability Is Very Real

HEADLINE NEWS EVENTS like the Interstate 35W bridge collapse in Minneapolis on August 1, 2007, remind us of how our lives can change in an instant. For those who were injured, having auto insurance helped. But if a person is unable to work for months or earns a substantial salary, that insurance amount might not make up for total loss of income.

Tragedies often motivate people to plan for the unexpected. They buy life insurance and write wills. But disability insurance is often overlooked, even though the Social Security Administration says that a 20-year-old worker has a 30 percent chance of becoming disabled

before retirement, making disability more likely than death in that time span.

Research by the National Association of Insurance Commissioners found that more than 56 percent of adults say they couldn't pay bills or meet expenses if they were to be disabled for a year or more. In fact, most people haven't managed to accumulate emergency funds—the three months' worth of expenses that financial planners recommend.

Disability income insurance can help protect you from a personal financial crisis by covering the salary or wages you lose when you're unable to do your job because of illness or an accident. Short-term disability goes into effect

quickly and provides a benefit for three to six months. Long-term disability typically begins after six months and can last for years; some policies last until age 65. But despite its obvious benefits, experts say that disability insurance is surprisingly underutilized.

"We insure our houses and our cars, but we don't insure our biggest asset—which is our ability to earn an income," said Marvin Feldman, President and CEO of the Life and Health Insurance Foundation for Education (LIFE).

Buying disability insurance is often at the bottom of many people's to-do lists due to denial and procrastination. "It's the same reason people don't make a

Two families discover first-hand the true value of disability income coverage

CINDY AND MATT WRENN were days away from closing on their dream home when disaster struck. Cindy, 28, suddenly fell ill while teaching a real estate class and was rushed to the hospital. She was stricken with a brain aneurysm, and during surgery she suffered a stroke.

With Cindy in critical condition and fighting for her life, the house closing seemed out of the question. It was unclear if Cindy would survive, let alone return to her job at a real estate title company. Matt's teaching salary wasn't enough, on its own, to qualify for the mortgage. Knowing how much the home meant to Cindy, Matt contacted his insurance agent, who had helped the couple purchase disability insurance policies. His agent pointed out to the lender that Cindy's individual coverage, combined with the disability benefit she received from her employer, would replace 70 percent of her salary until she turned 65. The loan was approved.



Agent Gillian Lotz (left) is pictured with Cindy, Sarah, and Matt Wrenn.

Cindy's recovery was nothing short of miraculous. A month after the stroke, she was released from the hospital and a few weeks later, moved into her new home in picturesque rural Maryland. Just three months later, Cindy was able to return to her job part-time. The income she earned allowed her to move from a full to a partial disability claim.

Today, Cindy is no longer collecting disability benefits. She's in good health and owns her own title company. Matt is a state fire marshal. They also are proud parents of a daughter, Sarah. Cindy still has disability insurance, so if disaster should ever strike again, she's covered.

will—the attitude is ‘I know I should, but I’ll do it tomorrow,’” Feldman said.

But the risk of disability is very real. “Anyone who would suffer if they lose their income”—whatever their age, gen-

TWO COMMON MISCONCEPTIONS ABOUT DISABILITY INSURANCE

- 1. Worker's Compensation will cover me if I'm disabled.** In reality, you get workers' comp only if you get sick or injured as a result of your job.
- 2. Social Security Benefits will suffice if I'm disabled.** In fact, you are eligible for Social Security Disability Insurance only if you are unable to do any work—not just your usual job—and your condition is expected to last for at least a year, or cause your death.

der, race, or occupation—is the target demographic for disability insurance, according to Feldman.

Statistics show that there's a significant chance that some day you will take an unwanted “vacation” because you're sick or hurt. Nearly one in three workers over age 30 will be disabled for three months or more during their careers, according to America's Health Insurance Plans.

If you were disabled and could no longer work, how would your family get by financially? To assess the income you would need to make ends meet, go to www.lifehappens.org/disabilitycalculator; then turn to a professional. The calcula-

tor can get you started, but it's best to have an insurance agent or financial advisor help you with the details, which can be quite involved.

NMB has a disability plan that can be customized specifically for your needs. For more information, complete and return the attached postage-paid card, contact your local NMB representative or nearest district office (see directory), or call the Home Office at 1-800-779-1936. Your most valuable asset—your income—needs protection. ♦

The LIFE Foundation contributed to this article and the Prier and Wrenn realLIFEstories have been reprinted with permission.