

Why Do You Need Income Protection?

Few aspects of life are certain, but common inevitabilities arise on occasion throughout our own journeys. Many of us learn to drive in our youth and eventually purchase motor vehicles. Subsequently, we are required by most state governments to carry sufficient amounts of auto or liability insurance. Another life certainty is getting sick or becoming injured and needing the care of a physician or even hospitalization, which is why the federal government requires us to have health insurance. And one day, no matter how well and fit you maintain your body, you will certainly die. That is one of life's harshest realities, prompting many Americans to seek out life insurance benefits to provide remaining family members with capital with the intent of counteracting hefty estate taxation or providing the equivalent of multiple years of lost income. The need to ensure these inevitabilities makes sense. But what about the uncertainties life brings? Are they any less deserving of insurability?

Absolutely not. Uncertainties can end up being more severe and highly consequential to not only yourself but to those you care for. Imagine for a moment not being able to work for a living and losing the ability to perform the duties of your occupation because of an unforeseen accident or chronic illness. Your ability to earn a fair living is arguably your greatest personal asset. A regular income not only allows for the basic necessities of life (food, shelter, clothing, transportation, insurance premiums, medical bills not covered by healthcare), but it also allows you and your family to maintain the lifestyle in which you have grown accustomed, including education, leisure, travel, extracurricular activity, and entertainment costs.

Although Mother Nature makes us adaptable and withstanding outside forces, our relatively fragile bodies are susceptible to illness and injury. The World Health Organization estimates there are over 30,000 diseases known to modern medicine that affect the human body. Many of those illnesses are relatively benign in nature, but a great number can lead to moderate to severe infliction, including temporary and permanent disablement of the body. Common maladies like cardiovascular disease, cancer, respiratory distress, diabetes, musculoskeletal degeneration, and kidney disease make up a majority of the causes of disability of millions of working Americans, no matter age, ethnicity, or socioeconomic background.

Aside from illness, the human body is easily corruptible by the ever-present dangers of injury. Our fast-paced lifestyles and frequent travel, driven by globalized economics and new and burgeoning technologies, have left us vulnerable to devastating accidents. Despite evolving advances in safety and operational precautions, the frequency of modern-day injury is in step with previous generations.

Considering all of these risks, why don't more of us financially safeguard our livelihoods with disability insurance? Most Americans suffer from the delusion they will never be disabled during their lifetime. Unfortunately, the reality is quite different. Working Americans are three times more likely to become disabled during their career than die during the same period, and over a quarter of us will be affected by a short or long-term disablement sometime before the age of 67. Yet, only 31% of us working in the private sector have any form of income protection insurance. So why do you and I feel impervious to accidents and to the thousands of medical conditions and diseases that can harm the human body to the point of disability? Because it's human nature to feel dangerously invulnerable. It is up to you to fight instinct and turn to an insurance advisor to become better educated and guided through the proper disability financial planning, not only for your retirement but throughout your income accumulation years.

In the first two-thirds of our lives is when most of the problems take shape. We don't save enough of our earned income. Evolving retirement vehicles have brought promise over the last quarter-century, but Americans still don't save enough for emergencies let alone retirement. One-third of us have no retirement savings, and 48% of us don't save any of our hard-earned income. How can you expect to financially survive in these socially and economically precarious times, while supporting your family, without any savings or income protection? You can't. You must acquire sufficient levels of personal disability insurance.

All the facts and figures speak for themselves. The reality is that millions of working Americans suffer disablement every year, and the only true safeguard is income protection in the form of disability insurance.

About the Organizations in the Financial Security Alliance

ABOUT ILTCI: The Intercompany Long-Term Care Insurance Conference Association, Inc. (ILTCI) is a public, non-profit, charitable, scientific, educational tax-exempt public benefit corporation. Our Annual Conference and multiple initiatives help a diverse group of Americans grappling each day with the impacts of our aging society. To learn more, visit www.iltic.org

ABOUT INTERNATIONAL DI SOCIETY (IDIS) is an organization whose members dedicate themselves to providing disability insurance to individuals, families, business owners, and employers to afford financial security in the event that an unforeseen disability occurs. We are devoted to growing consumer awareness and enhancing the disability insurance industry by expanding our members' resources, remaining current on industry trends, and providing a community for producers, distributors, underwriters and carriers to establish relationships and drive innovation.

ABOUT LIFE HAPPENS: Life Happens is a nonprofit organization dedicated to helping consumers take personal financial responsibility through the ownership of life insurance and related products. The organization does not endorse any product, company or insurance advisor. Since its inception in 1994, Life Happens has provided the highest quality, independent and objective information for people seeking help with their insurance-buying decisions. To learn more, visit www.lifehappens.org.

ABOUT NAIFA: Founded in 1890, NAIFA is the oldest, largest, and most prestigious association representing the interests of financial services professionals from every Congressional district in the United States. Our mission – to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members – is the reason NAIFA has consistently and resoundingly stood up for financial services professionals and called upon members to grow their knowledge while following the highest ethical standards in the industry. Visit NAIFA at www.naifa.org.

ABOUT NAIFA's LECP: NAIFA's Limited & Extended Care Planning Center empowers professionals to network with solution and service providers to share best practices, directly access subject matter experts, research, training and resources, and provide thought leadership so we may continue to address the changing needs of the market. To learn more, visit www.lecp.naifa.org

ABOUT PROTECTING EVERY FUTURE: Protecting Every Future is a network of diverse voices and people who believe we deserve common-sense policies that protect and strengthen the financial futures of all Americans. We make it our mission to give advocates a platform to speak their minds about financial security to all levels of government. We promote the importance of planning for a reliable financial future; encourage policymakers to take actions that protect retirement benefits and fight for reasonable policies that empower financial security for all Americans. Visit everyfuture.org