



Individual Disability Insurance Misconceptions

It's important to understand the misconceptions surrounding individual disability insurance, and what the facts are regarding the benefits of individual disability coverage. Your New York Life agent can help you understand the truth about individual disability insurance so you can decide if it is right for you.

Myth	Reality
"I have disability insurance through my employer, so I'm covered."	<p>Employer-provided plans (like Group Long Term Disability) typically only replace between 40%-70% of base salary and benefits are taxable when coverage is employer paid.</p> <p>Group LTD coverage is selected by your employer, is generally provided at no cost to the employee, and has no underwriting. Group LTD policies typically cover a percentage of salary, which often does not include bonuses, commissions, and profit sharing.</p>
"Social Security Disability/Workers' Compensation/Government programs will cover me if I got sick or injured."	<p>Current government programs that provide disability benefits may be insufficient to address all financial needs. * Also, Workers' Compensation only covers work-related causes of disability, and Social Security Disability Insurance (SSDI) only pays benefits for Total Disability and does not offer the additional benefits an individual policy can offer you.</p> <p>*The average SSDI benefit was \$1,154 a month, or \$13,848 a year as of November 2021.</p>
"Disability insurance is too expensive."	<p>Like home and auto insurance, disability insurance can protect your assets if something happens. Disability insurance typically can cover 50-70% of, income, in comparison to none if you got sick or injured and could not work. The actual premiums you pay will depend on a variety of factors including the benefit amount, and the types of coverage features included in your policy. In addition, there will be an underwriting process.</p>
"I'm not going to be disabled, I work in an office/I'm too young."	<p>Unfortunately, 1 in 4 people entering the workforce will become disabled and potentially face financial hardship at some point during his or her life.* Disability can and does happen when you least expect it, and at any age.</p> <p>*Social Security Administration, Social Security Basic Facts, 2019</p>
"Accidents are the leading cause of disability."	<p>This is a common myth, but in fact, 90% of claims are related to sickness, not accidents.*</p> <p>*Sept. 2020, Kiplinger https://www.kiplinger.com/article/insurance/t012-c032-s014-dont-underestimate-need-for-disability-insurance.html</p>
"I can live on my savings if something were to happen to me."	<p>The average group long-term disability claim lasts 34.6 months. While you don't know the future, for many Americans, an extended period of no income may cause savings to run out.*</p> <p>*Sept. 2020, Kiplinger https://www.kiplinger.com/article/insurance/t012-c032-s014-dont-underestimate-need-for-disability-insurance.html</p>
"I can get a part-time job to make up the difference in income lost if I were to get sick or injured."	<p>As seen above, disability can last months or years. Plus, expenses may increase after disability strikes, as medical expenses are added to routine expenses.</p>

The purpose of this material is solicitation of insurance. An insurance agent may contact you. Policy form ICC21-121 PLCY (0121) and 121-PLCY (0121) are issued by New York Life Insurance Company, New York, NY. State variations may apply. Premiums vary by issue age and premiums in the conditionally renewable period (after age 67 to age 75) may increase based on attained age rates. Policy issue is subject to underwriting. A medical exam may be required. The policies have exclusions and limitations. For cost and complete details of the coverage, contact your agent or the company.

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New York Life Insurance Company

51 Madison Avenue
New York, NY 10010
www.newyorklife.com

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