

What Is Disability Insurance?



No one ever plans to fall off a ladder, suffer a heart attack, or be diagnosed with cancer but these things happen. Would you be able to pay your bills if you became injured, ill, or suffered an accident and unable to work?

Disability insurance can provide you with a portion of your income should you become disabled. Benefits can be used to help pay for your mortgage, utilities, college tuition, medical insurance payments, and more.

There are two types of disability insurance: short term and long term.

Short Term Disability (STD) Insurance

STD insurance benefits:

- Will cover you if you experience a disabling illness, injury, or accident that leaves you unable to work for a short period
 - » Example: back injury or due to pregnancy
- Begin after a short initial waiting period is satisfied
- Typically last a few weeks to a few months
- Are paid out bi-weekly



Long Term Disability (LTD) Insurance

LTD insurance benefits:

- Typically kicks in when short term disability insurance ends
- Will cover you if you experience a disabling illness, injury, or accident that leaves you unable to work for a longer recovery period
 - » Example: Recovering from a car accident or open-heart surgery
- Begin after an initial waiting period is satisfied
- Are based upon a percentage of your income
- Are paid out monthly

