You probably carry business interruption insurance to protect your earning power in the event your construction business is shut down as a result of fire, collapse, or other catastrophe.

Being your own boss is great except when you get sick or hurt. When you’re your own “key-man,” sickness or accident that prevents you from working can mean financial hardship for you and your family. Where would you get the money to pay the bills that keep coming in — for food, rent, clothing?

The odds are only one in thousands that your business will be destroyed by fire, only one in five that you will die this year, but every four minutes someone in the United States becomes permanently disabled. And, you might be one of the 40,000 persons who annually suffer serious accidental injuries.

Death is inevitable, eventually. But the chances of your being disabled before retirement are even more likely than the chances of death.

**By: Joseph Akin, C.P.A.M.B.A.**
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ABILITY TO EARN
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AT AGE
22 Within the next 7½ times greater
32 year the chances 6½ than the
42 that you will suffer 4 chances of
52 a disability of 3 2½ your death
62 months or longer are 2

And, the average such disability last five years!

The answer lies in disability income policies designed to provide an income if you don’t die from illness or an accident, but linger on too disabled to return to work.

Many persons, perhaps you’re one of them, assume that you are adequately covered because you have a group disability income policy purchased through a trade association, professional group or fraternal order.

In the insurance trade these are known as “mail-order group policies.” These policies can be cancelled at the option of the insurer and rates can be raised at any time.

Compare this with obtaining a mortgage. You wouldn’t accept a mortgage allowing the lender to raise the interest at will and call in the mortgage at any time. If so, why accept a policy with similar provisions affecting your entire future and that of your family?

Without adequate insurance coverage it is very likely that you will, for a prolonged period of disability, dissipate your savings. What is adequate? That sum when added to Social Security Disability Benefits which will enable your family to maintain a decent standard of living is as good a definition as any.

You might also find yourself pushed into debt during a long siege of disability and possibly lose all you’ve worked for to accumulate during your working years.

No two companies have the same policies, nor the same premium rates. In shopping for a policy, stick to the old-line established companies licensed by the Commissioner of Insurance of your State. Buy your coverage from a licensed representative (not from newspaper or mail solicitations) and avail yourself of the opportunity to ask questions regarding the coverage being offered to you.

Here are just a few questions to ask and understand before signing the application and contract.

1. Is the policy guaranteed renewable regardless of number of claims filed or condition of health at time of renewal?
2. Is renewability contingent on membership with a specified employer? On membership in a group?
3. Can premiums be raised?
4. To what age is the policy renewable? Do benefits decrease at a specified age?
5. What are the definitions of sickness and injury? Does the policy have a waiting period? How long? Exclusions for other than war or attempted suicide?
6. Will you be paid if you can’t work in your own occupation? Can the company ever refuse to pay if you are capable of performing some useful work for which you are suited by reason of experience, education or training? Can you be made to accept therapy or rehabilitation and offered employment at menial or degrading work?
7. What are provisions relating to recurring disability?
8. Is there a waiver of premium clause? Retroactive?
9. Are you covered for travel or residence anywhere in the world?
10. If you get sick or suffer an accident at age 64, will the policy provide for continuous payments to a specified age? Or for life?
11. What are post-65 provisions?
12. Can the policy be reinstated upon lapse? How?
13. Is there a grace period for paying premiums? Must you receive a written notice of cancellation to avoid loss of policy due to premium notice or remittance being lost in the mail?
14. Is there a clause restricting coverage to a percentage of earnings? Computed on last year’s earnings or average of several years? (State laws may impose maximum coverage provisions.)
15. Will your benefits be reduced because of collecting from Government for Social Security disability benefits? Or from overlap of coverage for which you paid full premium?
16. Does the policy have provisions for a death benefit? For loss of use of eyes or limbs in addition to severance? (Paralyzed arm is just as disabling as loss of arm)

The purpose of this article is not to scare you, but to make you aware of the need for disability income protection and what to look for in purchasing a policy.

Group disability income policies can play a role in your overall protection shield but they should be augmented by quality coverage. An individual noncancellable guaranteed renewable policy fills this need for quality and reliability.

Disability income is completely tax-free if paid from your own after-tax dollars, and partially tax-free if paid for by an employer.