

10 simple tips: the essentials of disability insurance

No one knows what the future holds, so it's important for you to do your best to prepare for what life may bring. Based on our experience in helping disability customers through an emotionally and financially difficult time, we created these "10 Simple Tips" to share our point of view and provide guidance and answers to common questions about disability insurance. Certainly, everyone's circumstances are different, but these will help you get started and make the best decision based on your specific needs.

1 If you or others depend on your income, you need it.

If you have people who depend on your income — or if you depend on your income — you need disability insurance. Many people are surprised to learn that Social Security benefits are not available if you are expected to be out of work for less than a year.¹ One year without income could deplete your savings and have a significant impact on your finances.

2 Disability insurance replaces a portion of your income when you can't work.

If you were unable to work due to illness or injury, disability insurance could help to pay your most essential expenses, including food, utilities, school tuition, home and car payments.²

3 Most long-term absences are due to illnesses, not accidents.

While many people think that disabilities are typically caused by accidents, the majority of long-term absences are actually due to illnesses, such as cancer and heart disease. In fact, 10% of long-term disabilities are due to injury.³

4 You need it even if you're young and healthy.

Just over 1 in 4 of today's 20-year-olds will likely become disabled before reaching age 67.⁴ What's more, it's easier and less expensive to get disability insurance when you're young and healthy.

5 The risk of a disability during your working years may be greater than you think.

The risk of suffering a disabling illness or injury may be more likely than you realize. In fact, over half of Americans with disabilities are between the ages of 18 and 64.⁵ Disability insurance helps you to maintain a steady stream of income when you can't work due to illness or injury.

6 A good rule of thumb is to protect 60–80% of your after-tax income.

You will need to meet your essential living expenses if you should become disabled. Seventy percent of consumer expenditures are to cover essential expenses like housing, food, transportation, health care and education.⁶

7 Supplementing your group disability benefits may cost less than you think.

When budgets are especially tight, it still makes sense to buy enough disability insurance to cover the rent or mortgage and keep your family in their home should you become disabled. Disability insurance is more affordable than you may think. Please review your enrollment materials for details on how much you qualify for and the cost.

8 Make sure you know how much of your income will be replaced by the disability benefits you get at work.

See if disability coverage is made available to you at work. You might want to look carefully at coverage, though, since your employer-provided coverage alone may not be enough. Find out if you can purchase additional coverage during your open enrollment period.

9 There is no substitute for good advice.

Good advice on how much insurance is right for your needs can be found in a variety of places. Some prefer talking to a trained financial professional, while others prefer to do research online. Whichever approach works best for you, taking action to protect you and your family with disability insurance is an important part of a strong financial plan.

10 The financial strength and reputation of the company you buy from matters.

When you purchase disability insurance, the company you buy from is making a long-term commitment to you. If you become disabled, there is a chance you will receive benefits for an extended period of time, so it makes sense to buy from a company with experience, financial strength and a solid reputation.

For more information,
visit www.metlife.com/gsi or call 1-888-671-8152.

1. Social Security Administration website, <http://www.socialsecurity.gov/pubs/EN-05-10029.pdf>, May 2015.
2. Disability benefits begin to accrue after completion of the elimination period.
3. Council for Disability Awareness, 2014 Long Term Disability Claims Review, http://disabilitycanhappen.org/research/CDA_LTD_Claims_Survey_2014.pdf.
4. Social Security Basic Facts, <http://www.ssa.gov/news/press/basicfact.html>, October 2015.
5. 2015 Disability Statistics Annual Report, A Publication of the Rehabilitation Research and Training Center on Disability Statistics and Demographics, http://www.disabilitycompendium.org/docs/default-source/2015-compendium/annualreport_2015_final.pdf, January 2016.
6. Consumer Expenditures, U.S. Department of Labor Statistics, September 2013.

Like most disability income insurance policies, MetLife's policies contain certain exclusions, waiting periods, reductions, limitations and terms for keeping them in force. Ask your representative about costs and complete details. For policies issued in New York: MetLife Disability Income Insurance policies provide disability income insurance only. They do NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services. The expected benefit ratio for these policies is at least 50%. This ratio is the portion of future premiums that MetLife expects to return as benefits when averaged over all people with the applicable policy.