



GUIDE TO INDIVIDUAL DISABILITY INSURANCE

Protecting Your Most Valuable Asset—Your Income

Guide to Individual Disability Insurance

CYGNUS INSURANCE

WHAT IS DISABILITY INSURANCE?

Disability insurance provides a monthly income benefit if an illness or injury prevents you from working. While many people insure their homes, cars, and even smartphones, they often overlook the asset that makes everything else possible—their ability to earn an income.

Whether your disability lasts several months or many years, disability insurance helps replace lost income so you can continue paying your mortgage, utilities, groceries, and other living expenses while focusing on recovery.

Unlike health insurance, which pays doctors and hospitals, disability insurance pays **you**.

WHY IS DISABILITY INSURANCE IMPORTANT?

Your income is likely your largest financial asset. Over a career, the average professional may earn several million dollars.

If an illness or injury suddenly prevented you from working:

- How would you pay your bills?
- How long would your savings last?
- Would you have to dip into retirement accounts?
- Would your family be financially affected?

Many people assume disability is caused by workplace accidents, but the majority of long-term disabilities result from illnesses such as:

- Cancer
- Heart disease
- Stroke
- Musculoskeletal disorders
- Mental health conditions
- Back and joint injuries

Even a temporary disability can significantly impact your financial security.

WHO SHOULD CONSIDER INDIVIDUAL DISABILITY INSURANCE?

Individual Disability Insurance is especially valuable for:

- Business owners
- Self-employed professionals
- Physicians and healthcare professionals
- Attorneys
- Engineers
- Executives
- Sales professionals
- Individuals with limited employer disability benefits
- Anyone who depends on earned income

If someone relies on your paycheck, disability insurance deserves consideration.

WHAT ARE YOUR OPTIONS IF YOU BECOME DISABLED?

Personal Savings

Many families believe they can rely on emergency savings.

Unfortunately, several months without income can quickly drain even substantial savings while retirement accounts may suffer from early withdrawals and lost growth.

Government Benefits

Many people believe Social Security Disability Insurance (SSDI) will replace their income. Qualifying for SSDI is difficult, and benefits are generally intended only for severe, long-term disabilities that meet strict federal definitions.

Employer Disability Coverage

Some employers provide short-term or long-term disability insurance.

While valuable, employer plans often:

- Replace only a portion of income
- May be taxable
- Usually cannot be taken with you if you change jobs
- May not adequately protect higher-income earners

Individual Disability Insurance

An individual policy is personally owned and portable.

Coverage stays with you regardless of where you work and can often be customized to fit your profession and financial goals.

WHEN SHOULD YOU PURCHASE DISABILITY INSURANCE?

The best time to purchase disability insurance is while you are:

- Healthy
- Actively working
- Younger

Premiums are generally lower when purchased at younger ages, and qualifying medically is often easier before health conditions develop.

Waiting until after a diagnosis or injury may limit your options or make coverage unavailable.

IMPORTANT POLICY FEATURES

Every disability policy is different. Some important features include:

Own Occupation Coverage

Provides benefits if you're unable to perform the duties of your specific occupation, even if you can work elsewhere.

Residual or Partial Disability

Allows partial benefits if you can still work but experience a loss of income due to disability.

Cost of Living Adjustment (COLA)

Helps benefits keep pace with inflation during long-term claims.

Future Purchase Option

Allows you to increase coverage later without additional medical underwriting.

Elimination Period

The waiting period before benefits begin.

Benefit Period

Determines how long benefits continue—such as 2 years, 5 years, or until retirement age.

COMMON MYTHS ABOUT DISABILITY INSURANCE

Myth: Disabilities only happen because of accidents.

Reality: Most long-term disabilities result from illness.

Myth: Workers' Compensation protects me.

Reality: Workers' Compensation only covers work-related injuries or illnesses.

Myth: My employer provides enough coverage.

Reality: Employer plans often replace only a portion of income and may be taxable.

Myth: Social Security Disability will take care of me.

Reality: Qualifying is difficult, and benefits are generally limited.

KEY TAKEAWAYS

- Your ability to earn an income is one of your greatest financial assets.
- A disability can happen at any age and is more likely to result from illness than injury.
- Disability insurance helps replace income—not medical expenses.
- Employer coverage may not provide enough protection.
- Purchasing coverage while healthy usually provides the best options and pricing.
- Working with an experienced insurance professional can help you select coverage that fits your occupation, budget, and long-term financial plan.

PROTECT YOUR PAYCHECK. PROTECT YOUR FUTURE.

A disability doesn't have to become a financial disaster.

Understanding your options today can help protect your income, your family, and your financial future.

Schedule a complimentary Disability Income Protection Review today.



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