

5 FAQs About Long-Term Disability Insurance, Answered

Looking to learn more about long-term disability insurance?
Look no further – you're in the right place.

Breeze is rated Excellent



1 Who needs long-term disability insurance?

Do you rely on the income you earn from working? Then long-term disability insurance belongs in your financial plan. This is especially true if you have a family to support. Long-term disability insurance is the most effective way to protect your greatest asset – your ability to earn an income and the lifestyle it supports. If you become too sick or hurt to work, a long-term disability policy can replace a portion of your monthly income so you can still pay the bills and take care of your family while you recover. This type of coverage is common among doctors, lawyers, accountants, nurses, architects, consultants, teachers, small business owners, freelancers, and more.

2 What does long-term disability insurance cover?

Long-term disability insurance covers serious injuries and illnesses that prevent you from performing the duties required by your occupation for an extended period of time, or even permanently. Rather than covering a set list of conditions, approval for long-term disability insurance benefits is determined by whether or not your diagnosis meets the criteria of your policy's definition of disability. The leading causes of long-term disability claims include illnesses like cancer, heart attack, and diabetes, and musculoskeletal disorders like arthritis and back pain.

3 How do long-term disability insurance benefits work?

How much does long-term disability insurance pay in benefits? Long-term disability insurance generally replaces 60-80% of your pre-tax monthly income. Why not 100%? Since you pay premiums using after-tax dollars, any benefits you receive will not be taxed. Thus, your disability insurance carrier must account for this difference when paying benefits so you do not receive more from your policy than you would by working in your given occupation when healthy. Breeze offers monthly benefit amounts ranging from \$500 to \$20,000.

When do long-term disability insurance benefits start? Benefits start when your policy's elimination period ends. Also known as a waiting period, this is the amount of time you must wait after a disabling event occurs before you begin receiving benefits. Policies offered through Breeze feature waiting period options of 30, 60, 90, 180, or 365 days. It's important to note that the waiting period you select will impact the cost of coverage. As the length of your waiting period decreases, monthly premiums increase (with all other factors equal).

How long do long-term disability insurance benefits last? Benefits may last as long as the benefit period you select for your policy. Policies offered through Breeze feature benefits period options of 1, 2, 5, and 10 years; or up to age 65 or 67. Like your policy's waiting period, it's important to note that the benefit period you select will impact the cost of coverage. As the length of your benefit period increases, so will your monthly premiums.

4 Does long-term disability require a medical exam?

When applying for long-term disability insurance, the underwriting process may require you to take a medical exam before an offer for coverage can be made. Some companies, however, offer the ability to skip the medical exam if you meet certain requirements. At Breeze, applicants ages 18-50 can skip the medical exam if they are applying for monthly benefit amounts of \$5,000 or less. But if you do need to take an exam, don't sweat it – most exams can be done at home and only take about 30 minutes.

5 How much does long-term disability insurance cost?

The average cost of disability insurance is typically between 1 percent and 4 percent of your annual income. Another rule of thumb is that you should expect to pay between 2 percent and 6 percent of your policy's monthly benefit amount in premium. Of course, you may pay more or less than these ranges depending on a variety of personal factors, policy choices, and your job occupation.

Below are some sample quotes for W2 employees from Chicago who earn \$75,000 per year, work at least 30 hours per week, and do not smoke. Quotes vary by gender, profession, and monthly benefit amount, and assume a 5 year benefit period and a 90 day waiting period.

Gender & Profession	\$1,300 Monthly Benefit	\$2,600 Monthly Benefit	\$3,800 Monthly Benefit	Gender & Profession	\$1,300 Monthly Benefit	\$2,600 Monthly Benefit	\$3,800 Monthly Benefit
Male Accountant	\$14	\$26	\$39	Male Landscaper	\$28	\$54	\$83
Female Accountant	\$23	\$44	\$68	Female Landscaper	\$38	\$77	\$119
Male Lab Tech	\$18	\$35	\$52	Male Roofer	\$35	\$69	\$107
Female Lab Tech	\$27	\$54	\$83	Female Roofer	\$49	\$99	\$154

To get a better idea of how much (or how little) you can expect to pay each month for long-term disability insurance, contact your agent to get an instant quote from Breeze.



There are no dumb insurance questions.

If you're thinking it, someone else is probably thinking it, too. Contact your agent to learn more about long-term disability insurance offered by Breeze.

Policies offered through Principal Life Insurance Company and Assurity. Disability Insurance from Principal® is issued by Principal Life Insurance Company, Des Moines, IA 50392. Disability insurance has limitations and exclusions. Assurity is a marketing name for the mutual holding company Assurity Group, Inc. and its subsidiaries. Those subsidiaries include but are not limited to: Assurity Life Insurance Company and Assurity Life Insurance Company of New York. Insurance products and services are offered by Assurity Life Insurance Company in all states except New York. In New York, insurance products and services are offered by Assurity Life Insurance Company of New York, Albany, NY. Product availability, features and rates may vary by state.