

Disability income protection for new professionals

Finally — on your way

Your investment of time and money is finally paying off. All that studying, lost sleep, and tuition payments are coming to an end. You're finally beginning an engaging career, and you can envision a secure, satisfying lifestyle that may include a home, vacations or a family.

But what would happen if you couldn't work?

If you became too sick or injured to work, you'd be thrown significantly off course. It would prevent you from working and bringing home a paycheck. And without a paycheck, how long could you pay your rent and utilities, buy groceries, make student loan payments, etc.?

What's your paycheck worth?

Your income is the primary source of funding for a lifetime of things, from basic necessities to the hopes and dreams you have for yourself and those you love.

Think about the value of your income not just now, but over your entire lifetime. Today's 30-year-old earning \$85,000 a year will earn \$6.4 million by age 70, assuming only 3% annual increases. Your income is in fact a multi-million dollar asset.

Is your paycheck protected?

Most people wouldn't dream of not insuring a home, condo, or car -- yet the value of assets such as these pales compared to that of your income.

You, disabled?

Before you say that could never happen to you, consider this:

1 in 4 of today's 20-year-olds will become disabled before they retire.¹



An extended period of missed paychecks can result in drained savings, maxed out credit cards, and even home foreclosures. In fact, the average duration of a long-term disability claim is 2.6 years.² That's a long time to go without an income.

Income protection can help

Disability income insurance (DI) can help replace your income if you become too sick or hurt to work during a period of more than a few months. This important coverage can help you maintain as much of your current living standard as possible.

Employer-paid coverage is a solid foundation

If you work for an employer, you may already be covered by some form of Group Long Term Disability (LTD) insurance. Employer-paid plans typically cover 50-60% of your income and can serve as excellent base protection. However, Group disability coverage through an employer is designed to meet the needs of a wide range of occupations and income levels. Such plans often don't provide adequate coverage for higher-earning professionals.

Is your income adequately protected?

Higher-income professionals can find themselves insufficiently covered because Group LTD plans:

- Often have a cap of about \$5,000 a month (\$60,000/year) in benefits. This means that any income over \$100,000/year would not be sufficiently covered.
- Pay benefits that are taxable when the employer pays for them. By relying solely on Group LTD, you'd be trying to get by on half (or less) of your former take-home pay.
- Typically cover only base salary, so incentive, bonus, and commission income are left unprotected.

You can address some of the shortfalls of Group LTD by purchasing an individual disability insurance policy.

Why buy coverage now?

When you're young and healthy, it's easy to dismiss the possibility of your ever becoming too ill or injured to work. But in fact, that's the **best time** to buy because of:

- **Good Health:** Leverage your current good health. Your eligibility for disability insurance and your ability to obtain it on the most favorable terms depend on your health.
- **Cost:** When you buy DI, you "lock in" your cost based on the age at which you purchase. Younger buyers usually get better rates.
- **No Proof of Earnings Required:** For eligible occupations (see list elsewhere in this brochure), our Program for New Professionals provides a monthly benefit based on the earnings you expect early in your career — *without* proof of income.
- **Portability:** You'll likely change employers or even careers multiple times during your working life. Individual DI coverage can be taken with you every time you change jobs, whereas Group LTD is not usually portable.



Think about the value of your income not just now, but over your entire lifetime.

What should I look for in a disability insurance policy?

Option to protect you in your own occupation and specialty

- Look at how the policy defines total disability:
 - A policy that defines total disability as an inability to work in your own occupation typically pays benefits if you cannot return to work in your particular specialty or field. Its advantage is that you're able to receive total disability benefits even if you're gainfully employed in another occupation — in some instances even in your own business or practice.
 - If the policy defines disability as inability to return to work in any occupation, then the policy would typically pay benefits only if you were unable to perform any job, either your own or a job in a new field or occupation.

Flexibility to tailor coverage to your specific needs both now and in the future with options to:

- Increase coverage as your income grows with no medical insurability requirement³
- Safeguard retirement contributions
- Protect student loan payments



Industry-leading coverage that takes into consideration your growing income

Why choose us?

When selecting a disability insurance company, you're choosing protection not only for today's earnings and circumstances, but for your growing income and career as well.

After all, a disability insurance policy is a promise to pay a benefit when you most need it. And a promise is only as good as the company that can honor it.

Don't let a disability be your Achilles' heel

Your income isn't just a paycheck. It's the principal source of funding for nearly every aspect of your life.

Now is the time, while you're in the early stages of your career, to take measures to protect it.

Talk with your financial professional now about how individual disability insurance can help make sure your plans stay on track.

Take advantage of our program for new professionals

Look for your occupation below to see if you may qualify for our special program for residents and individuals in their first year of practice.

First-year professionals

- General Practice Physician
- Medical Specialist
- Surgeon
- Dentist
- Dental Specialist
- Architect
- Attorney
- Computer Scientist
- CPA
- Degreed Engineer
- MBA Professional
- Nurse Practitioner (Certified)
- Optometrist
- Pharmacist
- Ph.D. Psychologist
- Physician Assistant (Certified)
- Podiatrist
- Veterinarian
- Business/Data Analyst
- Certified RN Anesthetist
- Medical Physicist

Residents & fellows

- Fellow
- Medical Resident
- Podiatrist
- Dental Resident
- Dental Specialty School (following dental residency)

¹ U.S. Social Security Administration, Fact Sheet, December 2019

² Council for Disability Awareness, The Average Duration of Long-Term Disability is 31.2 Months (Jan. 2016), <https://blog.disabilitycanhappen.org/the-average-duration-of-long-term-disability-is-31-2-months>

³ Conditions and limitations apply. The amount of additional coverage available will take into consideration financial information as well as all disability insurance in force, for which you've applied, or are eligible to receive. Medical information is not required.

Individual disability insurance policy forms 18ID, 18UD, 1400, and 1500 underwritten and issued by Berkshire Life Insurance Company of America (BLICOA), Pittsfield, MA. BLICOA is a wholly owned stock subsidiary of and administrator for The Guardian Life Insurance Company of America, New York, NY. Product provisions and availability may vary by state. Optional riders are available for an additional premium.

In New York: These policies provide disability insurance only. They do not provide basic hospital, basic medical, or major medical insurance as defined by the New York State Insurance Department. For policy forms 18ID, 1400, 1500, and 1600 the expected benefit ratio is 50%. For policy forms 18UD, 18GI, 18UD-F, and 18GI-F, the expected benefit ratio is 60%. The expected benefit ratio is the portion of future premiums that the company expects to return as benefits, when averaged over all people with these policy forms.

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