

Protect the MVP from a Disability

You may be your business's most valuable player (MVP). Therefore, proper measures should be taken to protect both your income and your business should you suffer a disability. **Disability income insurance** offers protection against an accident or health crisis that limits your ability to earn income. Depending on your income, coverage may replace 45% to 75% of your pre-disability earnings. The policy's cost generally depends on such factors as the risk level of your occupation, your age, your health, and the scope of coverage. Consider the following policy features:

- **Definition of Disability.** Some policies cover you if you are unable to work in your current occupation or one appropriate for your training and level of experience. In contrast, other policies cover you only if you are unable to work in *any* occupation. If you become disabled, this distinction can make a big difference.
- **Residual Benefits or Partial Disability Coverage.** Under certain specified circumstances, if you become disabled but are able to earn a *portion* of your previous income, residual benefits or partial disability coverage pays a portion of your benefits to supplement your reduced income.
- **Guaranteed Renewable.** With this feature, the insurer cannot refuse to renew your policy or change any terms, except for premium cost, as long as you continue to pay your premiums on time.
- **Guaranteed Insurability.** This provision allows you to increase your monthly benefit, even if you experience health changes that would otherwise prevent you from obtaining additional disability coverage.
- **Cost-of-Living Adjustment (COLA).** This feature helps protect your benefits against the effects of inflation during a long-term disability.

Also, consider a **business overhead expense (BOE) policy** that can help cover lost profits and continuing fixed costs, such as salaries and ongoing business expenses, in the event you suffer a disability.

In general, disability benefits are paid monthly after a predetermined waiting period, limited to a maximum amount and a specified period of time. A thorough disability plan that includes both disability income *and* business overhead expense insurance can help protect your livelihood and ensure that your business stays up and running.

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