

Protect Your Income And Your Lifestyle

Taking the time now to protect your income could mean the difference between a secure future for you and those who depend on you, and a devastating financial burden should you find yourself coping with a long-term injury or illness that prevents you from working. At a time when you are dealing with a disability, the last thing you need is financial worries. With adequate income replacement you can focus your attention on recuperating, rather than on how to keep your home, pay your bills and put your kids through school.

How Much Income Protection Do I Need?

To calculate how much income replacement you might need to protect your financial security, start by jotting down your current monthly expenses and the extra expenses you might have during an extended injury or sickness.

My Current Monthly Expenses

Mortgage/Rent	\$
Groceries	\$
Clothing	\$
Utilities	\$
Medical Expenses	\$
Medical Insurance	\$
Credit Card Payments	\$
Auto Insurance	\$
Auto Maintenance/Fuel	\$
Home Maintenance	\$
Property Taxes	\$
Property Insurance	\$
Education	\$
Loans	\$
401K/IRA/Retirement Funding	\$
Savings	\$
Other	\$
1. Total Current Monthly Expenses	\$

As you think about how much income you might need during the time you are disabled, consider how long disabilities are tending to last (prior page) and that disability often brings additional expenses you may not currently have, such as those for COBRA medical premiums, housekeepers or aides.

My Estimated Additional Monthly Expenses At Time of Disability

Mortgage/Rent	\$
Aide	\$
COBRA	\$
Medical Expenses Not Covered by Insurance	\$
2. Total Current Monthly Expenses	\$

Total estimated monthly expenses at disability

1 + 2 =	3. \$
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Next, add up all the monthly benefits you anticipate you might receive from public and private insurance, as well as income you might obtain from personal sources.

My Estimated Additional Monthly Expenses At Time of Disability

Social Security Benefits, Workers' Compensation	\$
Benefits From My Employer's LTD Insurance	\$
Individual Disability Coverage	\$
Friends And Family	
Withdrawals From Savings, Retirement And Education Accounts	\$
Withdrawals From Investments	\$
Other	\$
4. Total Current Monthly Expenses	\$

Subtract 3 from 4 and this will give you an idea of how much income replacement insurance you might need.

4 - 3 =	\$
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Total estimated monthly deficit at disability