

Do I need **disability insurance**?

Something to consider ...

'Do I need disability insurance?' You may have never asked yourself this question. But it may be a question worth exploring if you consider that one of your most valuable assets could be seriously impacted if you were to become disabled – your ability to work and earn an income.

Take a few minutes to respond to the following:

1 When do you expect to retire?

Something to consider ... the further out in the future this date, the longer your financial well-being is exposed to the risk of disability.

2 What percentage of your income comes from your investments?

Something to consider ... the lower this percentage, the more dependent you are on your ability to work and earn a living.

3 How long could you maintain your current standard of living on savings alone?

Something to consider ... the shorter this period, the more vulnerable you will be if disability strikes. Also keep in mind that withdrawals from an RRSP are subject to income tax.

4 To what degree do your children, spouse or parents depend on you financially?

Something to consider ... if you become disabled, your dependents will still need financial support.

5 How much income do you think the government will provide if you become disabled?

Something to consider ... the major forms of government disability benefits are: Employment Insurance, Workers' Compensation and the Canada/Quebec Pension Plan. All three have eligibility and benefit limitations.

Form area with horizontal lines for responses.



6 How much money do you think you could borrow if you became disabled?

Something to consider ... from your lender's perspective, if you aren't working, will they want to loan you money?

7 If you were to become disabled and unable to work, would your spouse be able to generate enough income to make up the shortfall?

Something to consider ... even when this is possible (by working extra hours for example) many spouses may instead want to reduce the amount of time at work to be able to help their partner.

8 How much disability insurance do you already own and how comprehensive is it?

Something to consider ... even when people have disability insurance through their employer, a review of the coverage can reveal that they don't have enough, or identify potential benefit limitations.

Did any of the above questions, comments, or more importantly your answers, raise more questions for you? If so, you may have a need for individual disability insurance protection. Manulife Financial offers a variety of income replacement products, each designed with the specific needs of individuals in mind.

While no one plans to become disabled, you can be prepared with an income replacement plan.

Contact your advisor today.

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