

DISABILITY INSURANCE COVERAGE OPTIONS

There are two basic types of individual disability income policies, each of which offers a number of features and options to help you tailor the policy to your individual needs.

Types of Policies

- **Guaranteed Renewable**
This policy guarantees that you will continue to receive coverage as long as your premiums are paid. However, premiums can be increased within a given class of policies.
- **Non-Cancelable**
This policy not only guarantees that you will always receive coverage as long as your premiums are paid, but also guarantees that the premiums will not change from what is stated in the policy.

Optional Benefits

- **Cost of Living Adjustment**
As the cost of living increases, your benefit will be adjusted during a disability to reflect these changes.
- **Guaranteed Purchase Option**
With this option, you can increase your coverage at specified future dates without showing medical evidence of insurability.
- **Return of Premium Option**
This benefit allows you to receive your premiums back at the termination of the policy, minus any benefits paid.

Variable Benefits

- **Elimination Period**
The period of time before benefits begin after the onset of a disability. This period will be at least 30 days and is frequently 90 days or longer.
- **Benefit Period**
Benefits will continue for a predetermined period of time which may be between one and five years, to age 65 or in some cases for life.
- **Amount of Benefits**
The amount of benefits you receive will be based on earned income. The maximum benefit a person can purchase is generally from 50 percent to 70 percent, and will vary according to the amount of earned income. Benefits are often reduced for a partial loss of income.