

## Why You Should Consider Long Term Disability Insurance

Long term disability (LTD) insurance is designed to replace a portion of your monthly income if you become disabled and can no longer work. This is important coverage because the risk is higher than many people realize. 64% of wage earners believe they have a 2% or less chance of becoming disabled for three months or more during their working career.<sup>1</sup> The actual odds today are 30%.<sup>2</sup>

For many who become disabled, the continuation of income can make a huge difference in their ability to cope. Here are a few hypothetical examples of how this affordable coverage can be invaluable when a disability strikes:

### ERIN

is a computer programmer in her 30s who started working for a federal agency in early 2011. Six months ago she was in a serious car accident. Multiple operations repaired the broken bones and internal organs, but the brain damage she suffered has left her with severely impaired memory. This long term disability has prevented her from returning to work in any field.

Erin was not eligible for coverage under the Federal Disability Retirement plan since she had been with the agency for less than 18 months.

Erin was fortunate. She purchased a long term disability policy four years ago, around the time she and her husband bought their home. Now this policy will pay 67% of her former salary tax free until her social security retirement age. Income from her LTD policy has allowed Erin and her husband to stay in their home, near their support network of friends and neighbors.

### 2 LYNETTE

a program manager in her mid 40s, began feeling numbness and pain in her legs. She was diagnosed with multiple sclerosis, a progressive nerve disorder. While she was able to continue working at first, the disease has now left her almost bedridden, in pain and unable to walk. Unfortunately, she never considered the possibility of becoming disabled and unable to work. With limited income, Lynette sold her condominium and now lives with her stepsister's family.



### 3 FRANK

is an attorney who, at age 50, went into congestive heart failure. He was found to have cardiomyopathy, a heart muscle disease that severely diminishes its ability to pump efficiently.

Unlike many with this disease, Frank was able to return to work after five months. During his period of disability, his LTD policy made up for much of the lost income, such that his daughter could go ahead and start her first semester of college as planned.



### Who Needs Long Term Disability Insurance?

Anyone with earned income should seriously consider long term disability insurance. Planning ahead with a trusted insurance professional can make the difference between successfully dealing with an otherwise devastating situation and being overwhelmed by it. LTD is the product that insures you against the loss of your income – an important element of personal risk management.

GEBA can help you evaluate the type and amount of coverage you need and integrate any coverage you already have<sup>3</sup> into a comprehensive personal risk management plan. Our licensed Insurance and Financial Consultants have a thorough understanding not only of insurance products, but also of your federal benefits as a CSRS or FERS employee.

Call **(800) 826-1126** to speak to a Member Services Representative. More information on GEBA's Group Long Term Disability Insurance Program can be found at [www.geba.com/disability](http://www.geba.com/disability)<sup>4</sup>.

<sup>1</sup>CDA Disability Divide proprietary research March 2010, <http://www.disabilitycanhappen.org/research/consumer/>

<sup>2</sup>Social Security Administration Fact Sheet, March 18, 2011

<sup>3</sup>Government employees under both CSRS and FERS are entitled to disability retirement annuity under their Federal Benefits <sup>4</sup>Including features, costs, eligibility, renewability, limitations and exclusions