



INCOME PROTECTION

UNIFI Companies

## “IT WON’T HAPPEN TO ME”

If you had to choose the four most important things in your life, what would those four items be? For many of us, it would be spouse, children, home and automobile(s).

### WHAT IF?

Now, what if you had just been diagnosed with stage four cancer? This would be a serious diagnosis to receive. How would it affect you and your family’s finances?

Advances in chemotherapy, radiation and medications can eliminate tumors. However, these treatments can be very costly, time- and energy-consuming, and can sometimes lead to a period of total disability. If your employer provides you with a good health insurance plan that helps with the cost of treatment, you might be more fortunate than most.

Does your employer also provide you with disability coverage that will help replace your salary while you are totally disabled? If not, how will you and your family manage during a period of total disability?

### HOW WOULD YOU AND YOUR FAMILY BE AFFECTED?

In our hypothetical scenario, side effects of treatment with chemotherapy and radiation could impact your ability to work or even to drive. In addition to caring for you and the children, your spouse may have to take on extra work and you may have to hire someone to come into your home. The children may even have to live with extended family during your illness while your spouse takes on a second job to offset the loss of your income.

As treatment continues, your condition may result in extended stays in the hospital as well. Your out-of-pocket share of medical expenses can accumulate quickly.

## ARE YOU PREPARED?

Savings may help with mortgage, auto and credit card payments, but for how long? Many of us don't realize how quickly savings can be depleted during a disability due to increased expenses and loss of income. Nearly one quarter of Americans live paycheck to paycheck and have no money left after they have paid essential living expenses each month.<sup>1</sup> In a recent Harvard study on bankruptcy, more than one quarter of survey participants filing bankruptcy cited illness or injury as a specific reason. The study findings suggest that the number of medical bankruptcies increased twenty-three-fold between 1981 and 2001.<sup>2</sup>

Over the course of your working life, the odds are one in three that you will be disabled for 90 days or more by an illness or injury.<sup>3</sup> Many people buy life insurance so that if they die, their families will have the means to pay the mortgage and other living expenses. However, the likelihood of mortgage foreclosure due to disability is 16 times greater than the risk of foreclosure due to death.<sup>4</sup>

Of course, we are talking about a hypothetical scenario that hopefully will never come to pass for you. But all too often we hear about health situations among friends and coworkers that cause us to wonder how long we could maintain our lifestyle if a serious health challenge threatened our income.

## DISABILITY INCOME PROTECTION CAN HELP

Designed to protect your most valuable asset—your income—disability income protection could help prevent most or all of these losses. Not only can it provide income during total disability, but it can also provide income during a period of partial disability when you are not ready to go back to work on a full-time basis. And, benefits from an individually-owned disability income policy are received income tax free.

These are some of the reasons why we at UNIFI Companies believe that disability income protection, along with life insurance, form the cornerstone of a strong financial planning foundation. None of us knows what the future holds, but with proper planning, we can be ready for it.

For more information on disability income, life insurance or any of our other financial products and services, contact your UNIFI representative.

1. LIMRA, "Choosing Benefits: A Battle for the Employee Dollar," by Anita Potter and Yuliya Babushkina, March 16, 2006.
2. Commissioners Individual Disability Table A, Society of Actuaries, 1985
3. Health Affairs, Feb. 2, 2005, The Policy Journal of the Health Sphere. "Market Watch: Illness and Injury as Contributors to Bankruptcy," by David U. Himmelstein, Elizabeth Warren, Deborah Thorne, and Steffie Woolhandler, p. W5-63, p. W5-71.
4. National Safety Council, Injury Facts, 2004.

For specific information about the tax results of an income protection plan, consult your attorney or tax advisor. Your UNIFI Companies representative can assist you in obtaining disability income and life insurance to help meet your personal and business planning needs.