

Not Invincible? Disability Insurance Is a Smart Choice for Singles

When you're young, single, and just getting started in a career, one of the last things you may be thinking about is insurance. After all, you're 25, nearly invincible, and every penny you can afford needs to go to paying off the monstrous school debt you amassed over the last half-decade of your life. You'll do anything to avoid another monthly cost.

Why Disability Insurance Is Important

Pause for a second thought. Not to be too motherly here, but disability insurance may very well be a lifesaver for you. Here's why. Single people, quite naturally, depend on a single income. If anything happens to your health, that income is gone. Yes, workers comp may supply a steady trickle of cash in the event that you are injured at work. But what if you receive a disabling injury outside of work? Without the ability to maintain your employment and without a reliable income, disability insurance is what you need. In order to prevent financial devastation, single people should regard disability insurance as part of the whole package of wise financial decision-making. The cost of disability insurance is negligible compared to the benefit it provides in the event of a disabling injury.

What Disability Insurance Provides

If you become sick or injured to such an extent that you are unable to perform the normal duties of your job, you are considered disabled. While stringent legal definitions surround that otherwise vague statement, the basic concept is this: disability is when you simply cannot do your job because of an injury. At that point, disability insurance kicks in. Disability insurance replaces a percentage of your income, typically around 50-60%, during the period of your disability.

Types of Disability Insurance

The most commonly recognized form of disability insurance is provided through Social Security benefits. While social security disability benefits play a very important role, they are not to be depended upon in most cases. Most average-income earners opt for a more substantial disability insurance policy, despite the fact that this insurance comes at a small cost.

Disability insurance policies vary widely from company to company and from individual to individual. To simplify, there are two main categories of disability insurance: long-term disability insurance and short-term disability insurance. Short-term disability provides income replacement during a brief period of time; usually for a few months and in some cases up to a whole year. Often, short-term disability policies are used for pregnancies. Another major source of short-term disability claims are for back injuries and broken bones. Since you will eventually recover from such disabilities, short-term disability insurance benefits are designed to help you through the temporary loss of income due to the injury.

Other forms of disability insurance are available for the long term. When short-term insurance runs out, and your disability still prevents you from returning to work, long-term disability (LTD) helps you out. Long-term policies are designed to continue paying out benefits for as long as necessary; even up to retirement age (age 65). Sometimes a beneficiary may be able to work, but only at an occupation that pays a lot less than what he or she had before. LTD makes provision for such situations by paying the difference to make up for what the beneficiary earned before the injury.

Where to Get Disability Insurance

While single people aren't the only ones who should consider disability insurance (single-income families should as well), it is certainly an important consideration. Many employers provide disability insurance. Because of the discounts offered through employer coverage programs, this is often one of the best places to look. Otherwise, there are a wide variety of disability insurance policies available on the open market.

About the Author

Rickey Pearce, an insurance agent, understands the importance of having the proper coverage for your family. Rocky Mountain Health Plans offers a wide array of affordable [Colorado Family Health Insurance](#) options. To see some of the most extensive varieties of [Colorado health plans](#) available, visit RMHP today!