

Disability Insurance – The Goose that Laid the Golden Eggs

One way to think of disability insurance is by using Aesop’s fable, “The Goose that Laid the Golden Eggs.” Only in this case you’re the goose, your income is the eggs and instead of greed being the underlying reason for the loss of the eggs, it’s an injury or illness.

In our version of this fable¹, a man (the goose) came to see us to discuss his needs for life and disability insurances. He was married, no kids, and had a substantial annual income (the eggs). As we reviewed his needs, we talked about various ways to protect his income. We found a disability policy that would protect up to 80% of his monthly income and would be tax-free if he got disabled. The monthly premium was well within his budget and he could have easily afforded it.

After following up for almost a year, he decided not to purchase any of the policies. He was of the opinion that “nothing’s going to happen to me,” or “I’m going to always be able to work” (I’m always going to be able to keep laying those golden eggs). Several months after the last conversation, he became disabled and was unable to work. While his group long term disability insurance through his employer was able to cover some of his income, it was not enough to cover most of his expenses and the stress eventually took its toll on him and his family. His disability changed everything he’d worked for (the goose couldn’t lay any more eggs).

Do we visualize becoming disabled or ill? NO! Do we need to make a thoughtful decision regarding disability insurance? YES! You may have coverage through your employer, which is a great benefit. Review what they offer, what you would need to cover your current expenses, and see if you would have a shortage. Then two questions to ask are 1) Am I eligible to fill in the gap? and 2) Do I need to fill in that gap?

Disability insurance can protect you and your family from potentially losing everything. It can also provide peace of mind while you’re recovering.

¹ The version of this fable is a hypothetical situation and is presented for illustrative purposes only. The underlying assumptions may not represent your specific situation. Coverages for life and disability insurance are subject to underwriting. Like most insurance contracts, MetLife contracts contain exclusions, limitations, reduction of benefits, surrender charges and terms for keeping them in force. Most disability income insurance policies contain certain exclusions, waiting periods, reductions, limitations, and terms for keeping them in force. These policies provide disability income only. They do NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for these policies is at least 50%, depending on the policy and your state of residence. Your representative can provide you with costs and complete details.