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<sup>2</sup> Claims paid for by Berkshire Life Insurance Company of America, a Guardian company. Every claim is unique and must be evaluated on its own merits. Elimination Periods vary. The diagnosis of these medical conditions alone does not entitle an individual to disability benefits. A person's eligibility for benefits is determined on a case by case basis according to the terms and conditions of their policy.

<sup>3</sup> Social Security Administration, Fact Sheet March 18, 2011.

<sup>4</sup> Council for Disability Awareness, Long-Term Disability Claims Review, 2011.

<sup>5</sup> The American Journal of Medicine, June 4, 2009 Medical Bankruptcy in the United States, 2007: Results of a National Study; David U. Himmelstein, MD, Deborah Thorne, PhD, Elizabeth Warren, JD, Steffie Woolhandler, MD, MPH.

<sup>6</sup> 2010 Gen Re Disability Fact Book.

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## Fiction

*“Of course I have life insurance. But I’m too young to worry about disability income insurance.”*

## Fact

Most people understand the need for life insurance. Yet, the truth is, a long-term disability can be just as financially devastating to a household as a death. After all, income is the foundation to the lifestyle you’ve created. If that income abruptly stopped, how would you maintain your household, cover expenses or continue to plan for your future? Could your savings alone sustain your family for a period of months, or even years?

## Fiction

*“I have group coverage through my employer, I don’t need individual coverage.”*



## Fact

Group long-term disability (LTD) coverage is a terrific start to protecting income, however, unless supplemented, it likely will not be enough in the event you become disabled. An individual disability insurance policy is a terrific supplement to the foundation group LTD provides and can help ensure that you’re adequately protected.

Reasons to consider supplementing group coverage:

- Benefit caps put in place for the entire group often leave high-earning employees with the least amount of income protection
- Coverage is generally basic and cannot be personalized according to your individual needs because it is not individually-owned
- Since coverage is not individually-owned, you cannot take it with you when you change employers
- Group coverage can be changed or cancelled at any time by your employer or by the insurance provider

- When premiums are employer-paid, net benefits are reduced due to taxation,<sup>1</sup> minimizing income replacement
- Group LTD plans generally do not cover bonus compensation or retirement plan contributions



## Fiction

*“I’ll get disability insurance in a few years. I’m in perfect health right now.”*

## Fact

No matter how young and healthy you are, you’re still vulnerable to disability—whether through an accidental injury or an unexpected illness. Once you’re unable to work, it’s usually too late to get the protection you need.

Consider Table A, which identifies several policyholders — some rather young, on claim. If they had waited “a few years,” they would have found themselves with no coverage when their disabilities occurred. Instead, they had the coverage they needed when they needed it.

## Fiction

*“Why should I pay all that money for something I’ll never use?”*



## Fact

Disabilities can and do happen. In 2010 we paid more than \$223.3 million in disability income benefits.<sup>2</sup> Examples of some of these claims are shown in Table A. When you consider the facts about disability, it’s easier to understand just how vulnerable we are:

- Just over 1 in 4 of today’s 20 year-olds will become disabled before they retire.<sup>3</sup>
- Accidents are not usually the culprit. Back injuries, cancer, heart disease and other illnesses cause the majority of long-term absences from work.<sup>4</sup>
- Medical problems contributed to 62% of all personal bankruptcies filed in the U.S. in 2007, a 49.6% increase over results from a similar 2001 study.<sup>5</sup>

If you become too sick or injured to work, will you be ready? Considering the average long-term disability claim duration is 31.2 months,<sup>6</sup> your ability to maintain the life you created will likely be at risk.

TABLE A: 2010 Actual Paid Claims<sup>2</sup>

POLICYHOLDER OCCUPATION	AGE AT DISABILITY ONSET	POLICY ISSUE DATE	CLAIM START DATE	GENDER	DIAGNOSIS
Dentist	33	3/3/2006	3/1/2010	F	Multiple Sclerosis
Accountant	37	10/10/2009	6/4/2011	F	Carotid Artery Dissection
Attorney at Law	37	6/4/2007	8/29/2009	M	Encephalomyelitis
ER Physician	37	8/21/2009	11/8/2010	M	Subarachnoid Hemorrhage
Anesthesiologist	41	3/8/2007	5/27/2009	M	Amyotrophic Lateral Sclerosis
Owner	42	1/20/2006	9/1/2009	M	Heart Failure
Manager	42	3/14/2007	3/13/2011	M	Myeloid Leukemia
Neurosurgeon	43	6/1/2004	1/15/2011	M	Malignant Colon Neoplasm
Executive	44	9/1/2006	2/9/2010	M	Lung Disease
Pediatrician	53	2/26/2007	2/24/2008	M	Brain Neoplasm
Dentist	53	9/21/2007	9/30/2009	F	Malignant Breast Neoplasm
Cardiologist	54	2/17/2010	5/26/2011	M	Malignant Pancreas Neoplasm
Physician	60	2/10/2006	6/16/2010	F	Malignant Thyroid Neoplasm

*Purchasing disability income insurance to help protect your income — and the life you’ve created, is one of the most responsible decisions you’ll ever make.*

*Talk to your insurance advisor today about how you can protect yourself against the financial impact of a disability — and feel good about tomorrow.*