



Do I need disability insurance?

You may have never asked yourself this question. But it may be worth exploring if you consider that one of your most valuable assets could be seriously impacted if you were to become disabled – your ability to work and earn an income.

Completing the following questionnaire can help you think about how your ability to work, earn an income and your financial future could be affected by a sudden illness or disability.

1 When do you expect to retire?

Something to consider ... the further out in the future this date, the longer your financial well-being is exposed to the risk of disability.

2 What percentage of your income comes from your investments?

Something to consider ... the lower this percentage, the more dependent you are on your ability to work and earn a living.

3 How long could you maintain your current standard of living on savings alone?

Something to consider ... the shorter this period, the more vulnerable you will be if disability strikes. Also keep in mind that withdrawals from an RRSP are subject to income tax.

4 To what degree do your children, spouse or parents depend on you financially?

Something to consider ... if you become disabled, your dependents will still need financial support.

5 How much income do you think the government will provide if you become disabled?

Something to consider ... the major forms of government disability benefits are: Employment Insurance, Workers' Compensation and the Canada/Quebec Pension Plan. All three have eligibility and benefit limitations.

6 How much money do you think you could borrow if you became disabled?

Something to consider ... from your lender's perspective, if you aren't working, will they want to loan you money?

7 If you became disabled and were unable to work, would your spouse be able to generate enough income to make up the shortfall?

Something to consider ... even when this is possible (by working extra hours for example) many spouses instead want to reduce the amount of time at work to be able to help their partner.

8 How much disability insurance do you already own and how comprehensive is it?

Something to consider ... even when people have disability insurance through their employer, a review of the coverage can reveal that they don't have enough, or identify potential benefit limitations.

Did any of your answers raise more questions for you?

If the answer is yes, you may have a need for individual disability insurance protection. Manulife Financial offers a variety of income replacement products so you don't need to dig into your retirement savings and investments or borrow money to replace your lost income.

While no one plans to become disabled, you can be prepared with an income replacement plan.

For more information about disability insurance products offered by Manulife Financial, please contact your advisor.

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