

****Protecting What Matters Most: Your Guide to Disability Insurance and Long-Term Care Planning****

Written by Daryl Arno Kutner | TUSK Risk Solutions | www.tuskrisk.com | A+ BBB Rated

Introduction: Income is Everything

Your ability to earn a paycheck is your most valuable asset. If you couldn't work due to illness or injury, how would you cover your bills, mortgage, retirement savings, or children's education? Disability insurance is not about probability—it's about protection. Whether you're a business owner, W-2 professional, or contractor, your financial plan is at risk without the proper disability and long-term care strategy in place.

At TUSK, we believe that protecting income is the foundation of any sound financial strategy. This eBook walks you through the modern landscape of disability insurance and how to structure smart, integrated long-term care solutions.

Chapter 1: Types of Disability Insurance

Short-Term vs. Long-Term Disability Insurance

- ****Short-Term Disability (STD)**** usually replaces 60-70% of income for 3 to 6 months after a qualifying injury or illness.
- ****Long-Term Disability (LTD)**** kicks in after STD and can last years or until retirement, typically replacing 50-60% of income.

****Statistic:**** *According to the Council for Disability Awareness, more than 1 in 4 of today's 20-year-olds will become disabled before reaching retirement age.*

Group vs. Individual Policies

- ****Group Coverage**** is offered through employers but is often taxable and may not cover bonuses or commissions. It usually ends when you leave your job.
- ****Individual Policies**** are portable, customizable, and non-cancelable. They pay tax-free benefits and follow you throughout your career.

Portable vs. Non-Portable

- ****Portable Policies**** can stay with you regardless of employment.

- **Non-Portable Policies** (like most group plans) end with job termination or retirement.

Chapter 2: The Problem with Relying on Employer Coverage

Many professionals think their work benefits are enough. But:

- Most group LTD plans only cover base salary
- Benefits are taxed if premiums are employer-paid
- You may be limited to \$5,000 or \$10,000/month maximum benefits

The result? High-income earners are dangerously underinsured. You could be making \$400,000/year but only receive \$6,000/month during a disability—a 75% income drop.

The Purpose of Disability Insurance is to replace enough of your income to stay on track for retirement, cover your obligations, and maintain your lifestyle without burning through savings. Supplements can increase your benefit to cover almost your entire paycheck.

Stat: *Nearly 90% of long-term disability claims are caused by illness, not accidents (CDA, 2023).*

Chapter 3: Federal Disability Explained

Social Security Disability Insurance (SSDI) has strict requirements:

- You must have worked long enough and recently enough
- You must be unable to do *any* gainful employment
- The condition must last at least 12 months or result in death

Only about **35% of SSDI claims are approved**, and the average monthly benefit is around **\$1,537 (SSA, 2024)**. This barely covers basic expenses and offers no support for high earners or professionals.

Fact: *One of the largest deductions in a federal employee's paycheck is for OASDI (Old Age, Survivors, and Disability Insurance) which typically only replaces up to 40% of income.*

Chapter 4: Real World Case Study

****Case Study: The Surgeon Who Planned Ahead****

Dr. M., a 45-year-old trauma surgeon, severely injured his shoulder playing tennis. After surgery and rehab, he could no longer perform operations. Thankfully, he had a private disability insurance policy.

- His coverage replaced his full \$420,000 income
- He receives ****\$35,000/month tax-free****, starting at age 46
- He is free to consult, teach, or start a business without losing benefits

This is the power of ****own-occupation disability insurance****: if you can't do **your job**, you're considered disabled—even if you work elsewhere.

****Key Point:**** *Even when someone is injured and there is clear liability, lawsuits can take years. Disability insurance pays now.*

Chapter 5: Who Needs Disability Insurance?

Ask yourself:

- Can I afford to lose my paycheck?
- How long could I survive without income before dipping into retirement or selling assets?

If the answer is less than 6 months, you are a strong candidate for both short and long-term disability coverage.

****Stat:**** *The average long-term disability claim lasts ****34.6 months**** (CDA).*

Many employees never review what their benefits actually cover. New hires are given an HR checklist, and few ever sit down to match coverage with personal financial needs. TUSK helps you understand exactly what to protect and how to close the gap.

****Avg. Cost of Individual Disability Insurance:**** *Around ****1-3% of annual income**** for professionals. For example, a \$150,000 income may require \$1,500 to \$4,500/year in premium.*

When clients have accumulated the assets required for retirement, the need for income protection diminishes. Until then, ****disability insurance protects the engine of your retirement plan****.

Chapter 6: The Overlooked Threat: Long-Term Care

7 out of 10 people over 65 will require some form of long-term care (U.S. Dept. of Health & Human Services).

***Stat:** The average woman needs care for **3.7 years**; the average man for **2.2 years**.*

Average Cost of Care (Genworth 2024)

- Nursing Home (Private Room): \$9,872/month
- Assisted Living Facility: \$4,774/month
- Home Health Aide: \$5,720/month

Nursing Home vs. Home Care Trends

(Graph: % of LTC delivered at home vs. in facilities over past 20 years)

People overwhelmingly want to age in place. Yet the cost of doing so—especially with cognitive or physical impairments—adds up fast.

Chapter 7: Why TUSK Hasn't Sold a Standalone LTC Policy in 10 Years

At TUSK, we take a different approach:

- **Life Insurance with Living Benefits**: Pays out if you get chronically ill
- **Annuities with Enhanced Income Riders**: Double income for up to 5 years for qualifying LTC events or cognitive decline

This means:

- No "use it or lose it"
- No rate hikes
- Benefits no matter what happens

We prefer to **build LTC into income and protection plans**, making it cost-effective and seamless. Our strategies turn unavoidable risks into manageable, tax-advantaged outcomes.

Chapter 8: Medicaid Planning & Asset Protection

For clients with limited resources or complex estates, we incorporate:

- Medicaid Asset Sheltering strategies
- Irrevocable Trusts and annuities
- Gifting strategies

Everyone needs a plan. Whether you're building wealth or preserving it, **disability and long-term care planning are non-negotiable**.

Final Thoughts: Plan to Live Forever

At TUSK, our philosophy is simple:

- **Never run out of income**
- **Be able to afford to get sick**
- **Leave your estate as a legacy, not a mess**

Your income is your greatest asset. Protect it with the same care you protect your investments, your home, and your family.

Disability insurance covers your income so that your retirement, and life, stay on track.

Schedule a TUSK Planning Session Today

(305) • 290 • 1077 | www.tuskrisk.com

Daryl Arno Kutner

Founder, TUSK Risk Solutions

Licensed Insurance Broker | 20+ Years Experience | Palm Beach & Nationwide