

Disability or Illness Should Not Hurt Your Financial Health

Northwestern Mutual calls on individuals to take "preventative measures" to protect income

MILWAUKEE, May 6, 2014 /PRNewswire/ -- Personal health and personal finances are appearing at the top of the priority list for many Americans, according to Northwestern Mutual's [2014 Planning & Progress Study](#), new research that examines Americans' perspectives and behaviors towards money. The research found that close to half (43%) of Americans cited personal health and more than a third (38%) cited personal finances as their top two priorities for 2014.

Americans are not fully appreciating the impact that these two areas can have on one another. The reality is people are not protecting their most valuable asset – their income – as only 8% of Americans have disability insurance to address potential short- or long-term disabilities.

"Considering that personal health emerged as a key focus area alongside personal finances, it is surprising to find that so few people are taking measures to protect their financial health in the event an illness or disability arises," says Sandy Botcher, Northwestern Mutual vice president – disability income. "And it's not just income during working years that is at risk. A disability can also put a serious dent in your ability to enjoy retirement."

May is Disability Awareness Month and a good opportunity for Americans to evaluate whether they are adequately prepared to manage the financial impact of a short- or long-term disability. Botcher added that people don't realize how easy it is to become disabled. Many think disabilities are caused by an accident, when in reality the majority of disabilities are due to an illness¹.

One way to prepare for the possibility of being unable to work is through [disability insurance](#) designed to help pay living expenses, maintain lifestyle needs and preserve assets accumulated for retirement and other purposes. Many people think that coverage they get through their employer's group disability policy will offer the income protection they need, but Botcher says that is not enough.

That's where an individual disability insurance policy comes in. It supplements any group disability coverage that people may have through their employer, stays with them if they change jobs and pays a monthly benefit when an individual is unable to work.

"People work hard to build their nest-egg, and an unexpected illness or injury can quickly deplete hard-earned savings and other assets. But solutions like disability insurance can provide the income needed to manage financial obligations while reducing the risk of jeopardizing people's long term financial security," Botcher explains.

Botcher also notes that a good first step is to work with an experienced financial advisor, who can help individuals put a plan in place to manage potential risks to their income and savings.

"Your ability to earn an income is the foundation of your financial plan. That's why it's important to understand its value and do what you can to protect it," says Botcher.

Visit [Northwestern Mutual.com](#) for a variety of [tools and educational resources](#) that provide insight and guidance on [planning](#) around the possibility of a disability event, working with a financial professional and other resources to help you protect your income now and into retirement.

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¹Source: Northwestern Mutual claims approved 2011-2013

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