

# A Husband's Point Of View

## A.M.H. Financial Services



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### *On the Lighter Side*

How come Humpty Dumpty wasn't looking forward to winter? Because he had a great fall!

What's the best part about living in Switzerland? I don't know but the flag is a big plus

How does the man on the moon cut his hair? Eclipse it.

Why did the baby elephant need a suitcase for her vacation? She only had a little trunk.

Happy Easter! I hope that you will all be able to celebrate this holiday with your families in a safe and healthy way! Hopefully life will get back to normal soon.

Disability insurance, sometimes also referred to as income protection insurance, is an insurance product which offers you protection against loss of income by replacing a substantial portion of your paycheck if you become disabled. The insurance company that offers you the coverage typically agrees to replace 60 to 85 percent of your regular income, regardless of whether the loss of your earning ability was due to a sudden accident or a degenerative illness. This 'benefit' payment is made to you until you return to good health (i.e. resume working) or until the end of your disability coverage period – whichever comes earlier of course! The monthly or weekly benefit payment is potentially tax-free.

Do you need Disability Insurance? As your honest advisor, let's help you think this through. No crazy math calculations are needed for this one. Disability insurance is a must-have for anyone depending on their regular income to pay for rent or mortgage costs, those who need a paycheck to support their family or provide for other daily living expenses, those who have limited access to savings or investments to maintain their current lifestyle for an extended period of time, or any other financial obligations. If you're one of the rare people who could live the rest of your life in comfort off of your current savings, then maybe this product isn't for you.

Canadians are susceptible to injuries and conditions that prevent them from working. No wonder 12 million Canadians have disability insurance coverage. Though, this doesn't mean they fully understand the main causes for disability claims. While – as I said – the first thing many people think of when they hear disability insurance is physical ailments and accidents that may bar them from working, the top 4 reasons for disability claims in Canada are mental illness, musculoskeletal issues, and injury or poisoning.

**For more information on Disability Insurance or to get a quote call Andy at (780) 425-4058 today!**

### **Update to last month's newsletter:**

There was some confusion in my last newsletter regarding life insurance and coverage if you get Covid. If you had life insurance before the pandemic began and you end up getting Covid and dying, your life insurance will pay out. You have insured your life, and regardless of what you die of, your policy will pay out as it should.

Policies purchased now will include Covid in them, and again you will be covered if you pass away from it.

## Getting the Right Disability Insurance



### Protect Your Income and Your Lifestyle.

Your provincial health plan can help with the medical bills. But to replace lost income, you need disability insurance. Disability insurance can help protect you and your family from an unexpected illness or accident that leaves you unable to work and earn an income.

Generally, disability insurance replaces between 60% and 85% of your regular income, up to a maximum amount, for a specified time if you:

- temporarily can't work
- are permanently disabled due to an injury or illness

Permanent refers to the nature of the disability. It does not mean that you'll get benefits for the rest of your life. Many employers offer disability insurance. However, you can get your own disability insurance plan through a life and health insurance agent. If you're self-employed, you can also get disability insurance that will cover many of your business expenses if you're unable to work.

### Short Term Disability

Short-term disability coverage typically provides benefits for up to 6 months while you're sick or injured.

### Long-term disability insurance

Long-term disability insurance benefits generally begin when the following benefits end:

- short-term disability insurance
- sick leave benefits from your employer
- EI benefits

Most long-term disability plans will replace 60% to 70% of your normal income. Each disability plan is different. Some may provide disability benefits for up to two years if you're unable to return to the job you had before becoming disabled. After two years, you may continue to receive benefits only if you're unable to work at any job.

## Guarantees for the if in life!



## Some Food for Thought:



For many people, household spending has been reduced dramatically during the pandemic. They are eating out at restaurants less, stocking up more on perishable items, and limiting or avoiding travel and vacations. While many have decreased unnecessary spending, it has caused some consumers to increase their spending in other areas of their life, like increased water and electricity bills.

### What you can do

Revise your budget. Budgeting isn't always fun to do, but it's vital to keep detailed tabs on your money, especially if your finances have been affected by the coronavirus. Consider cutting out some of the subscription services that you no longer use. Take stock of each subscription and membership and determine if it's essential or not. If you can do without, get rid of it and put the extra money into a savings account or an emergency fund. You can also use that cash to pay off debt. Try a "snowball" strategy and pay off a card with the smallest balance to bolster your confidence and sense of accomplishment.

## ***What is Disability Insurance?***

Broadly speaking, there are two types of disability insurance. The categories work exactly as their names claim to – WYSIWYG – no complex mnemonic needed.

Short-term disability insurance is usually offered to cover the loss of income from short-term or temporary health issues arising from a less-serious illness or accident. The benefit payments can begin as soon as you use up your sick leave, sometimes as early as 1-14 days after a claim is submitted, with coverage lasting typically between 6-26 weeks – although coverage can also go as long as 52 weeks. It's commonly used for temporary health issues, like minor accidents, sports injuries and back problems that may prevent you from working for a few weeks or months. Short-term disability insurance also takes precedence. It is frequently applied to cover some or all of the period prior to the start of payments under a long-term disability coverage (See elimination period below).

Short-term plans are generally offered by your employer as they seek to attract and retain talent and typically cover 50 to 70 percent of your income. Some employers may not offer short-term coverage in which case employees that are eligible rely on federal Employment Insurance (EI) disability benefits.

Long-term disability insurance is used to protect against loss of income from more persistent, ongoing health issues. Its coverage usually begins right after the short-term disability period is over and the coverage time can be for 2 or 5 years, although most coverages last until the age of 65 (standard retirement age). It's usually purchased by individuals to supplement their employer-provided disability insurance. It's commonly used for mental health problems, musculoskeletal problems, accidents, and more.

### **What are the benefits of an individual disability insurance policy?**

With an individual disability insurance policy, you own your coverage. You can seek the maximum coverage amount your individual circumstances allow and add additional top-ups to make it perfectly sized for you. The coverage is portable: it goes wherever you go, regardless of whether you change employers or make new friends with new group memberships. Your cost of insurance will not change unless you increase the coverage amount. And if you pay your own premiums using after-tax income, you will receive the benefits tax-free.

### **What can disability insurance payments be used for?**

Whatever you choose! The monthly benefit you receive from an individual disability insurance policy can cover your everyday expenses as well help you pay any long-term debt repayments and medical bills. Additionally, many policies also provide non-monetary benefits such as rehabilitation, financial planning, job training, and more to help you regain your physical, emotional, and financial well-being.

### **When should I buy disability insurance?**

If you need disability insurance, then purchase it right now! The cost of disability insurance will never be lower for you than it is currently; the costs only increase with age. If you're in relatively good health, you should easily qualify for a disability policy – and can lock in lower rates at this age. Alternatively, if your health declines or occupation changes, you may no longer be insurable at an affordable premium in the future that you could easily obtain today.



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Take a look at our website!

**[www.amhfinancial.ca](http://www.amhfinancial.ca)**

AMH Financial Services is a full-service firm. We offer services to help you examine your financial goals and select the options that will best suit your needs, timeframe and investment style. We believe in helping you create a comprehensive financial plan for your family that includes planning, insurance and portfolio management.

Understanding what matters to you.

As life changes, your financial priorities evolve. That's why at AMH Financial Services we are here to understand you first, and then your financial picture.

We take the time to understand your unique investment goals. Through an in-depth discovery process, we'll get to know who you are and what truly matters to you and your family.

**MY COMMITMENT AS A FINANCIAL ADVISOR IS TO HELP PEOPLE TO REACH THEIR FINANCIAL GOALS. IF YOU HAVE A FAMILY MEMBER, FRIEND OR COLLEAGUE WHO YOU FEEL COULD BENEFIT FROM A CONVERSATION WITH ME, I WOULD BE PLEASED TO SPEAK WITH THEM WITHOUT OBLIGATION.**

I believe that every individual has an unalienable right to make the best and most effective use of hard-earned income, to have easy access to up-to-date and informed advice, and to be able to provide for short and long-term requirements.

I am committed to serving the individual customer with investment and financial portfolios which will meet current needs and provide for future requirements and situations.



My mission is to help you to make an educated decision that you are comfortable with!



**Striving to help  
you live your  
dreams.**

