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Own Occupation

Disability Insurance protects the most precious asset of a person's financial picture - their ability to work and earn an income. A 35-yr-old earning \$120,000 annually has the potential to earn \$3,600,000 in total earnings by the age of 65. That income stream could unexpectedly end if an illness or injury occurs. Consequently, most people agree disability insurance is a valuable component but tends to overlook how it actually helps protect their ability to earn an income

A disability insurance policy's true value falls squarely on how it defines a person's eligibility to receive a benefit. That definition of disability is critical when selecting the right coverage to purchase. Some policies are broad in this definition while others provide very specific language for the protection of the insured. For someone who has a high level of training and education that is necessary for their employment, a true own occupation disability insurance policy is critical.

Why is True Own Occupation so important?

A disability insurance policy is critical to helping anyone protect his or her ability to earn an income. But a true Own-Occupation disability insurance policy can help professionals protect the significant investment they made in their education and training. How? Because it can provide a benefit when you are unable, due to injury or sickness, to perform the material and substantial duties of your own occupation yet still gives you the flexibility to work in another occupation without having that decision impact your policy benefits. This is such an important feature for a highly skilled, highly motivated and driven professional who is likely to seek fulfilling work in some other capacity. Whether you are an executive or attorney - there is no doubt that such a provision would be important to have.

Conversely - a policy that does not offer a true own-occupation level of protection may not offer the same protection to the policyholder. Any person with a high level of training or skills may be deemed able to work in another occupation according to the insurance company, depending on the scope of the insured's disability. And whether your policy will pay benefits will be determined by how total a disability is defined in the contract. Consequently, a person may have to pay a little more for true own occupation but frankly, its importance is certainly worth the cost.

A disability insurance policy is only as valuable as the language within the body of the contract. Any person that holds a position which requires years of training or experience should always seek out a policy that provides them security that if they cannot work in their own occupation due to a disability, the insurance company will help protect their income loss with a monthly benefit. When researching and choosing this very important form of insurance coverage, take into account how it works and ensure a true own occupation definition of disability is part of the policy.