

# Preparing for the Unexpected

*"Fear of harm ought to be proportional not merely to the gravity of the harm, but also to the probability of the event."*

– Peter L. Bernstein

## THE PROBLEM

Many highly compensated executives are unaware of the financial impact it would have if they were to become sick, disabled, or unable to work. How many of your organization's top talent would have to spend their retirement assets, personal savings, or monetary reserves if they lost their income due to an illness or injury? They may currently have a group LTD plan, but those plans don't cover an earner's full salary (bonus, commissions, 401(k) income, etc.), leaving a coverage gap. These plans often leave your company's highest earners victim to the gap, with only 30% to 50% of their income protected, while most of your broad-based employees achieve more significant income protection.

**1 in 4**

of today's 20 year olds  
will become disabled  
before they retire<sup>1</sup>

**#1**

cause of disability is  
musculoskeletal disorders  
(arthritis, back pain, spine/  
joint disorders, etc.)<sup>2</sup>

**40%**

of American adults indicate  
they have enough savings to  
cover three months of living  
expenses<sup>3</sup>

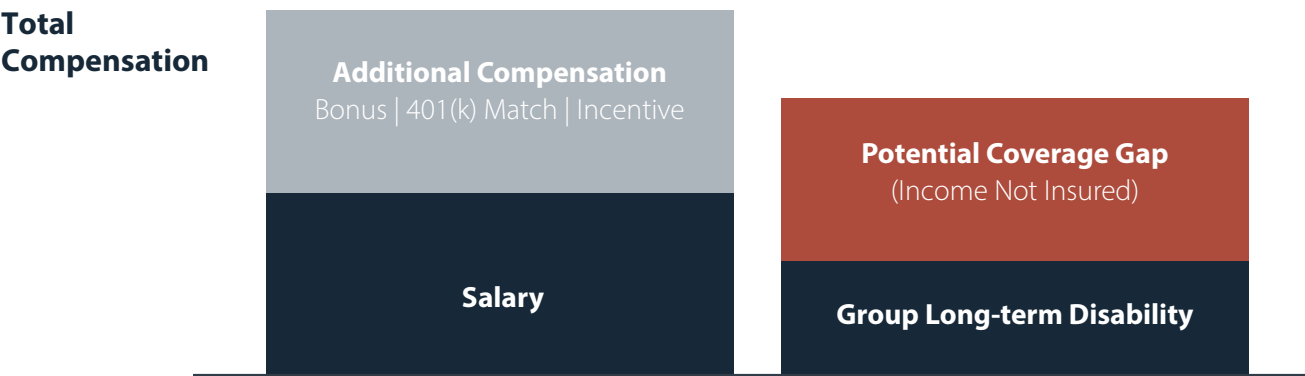
**90%**

of disabilities are caused by  
an illness, not an injury<sup>4</sup>

Much of your company's success depends on the talents of your key employees. But keeping the people who keep the organization going is easier said than done. Higher pay is only one of the answers, providing quality benefits and educating employees on them is another opportunity. Supplementing group long-term disability (LTD) with individual disability income insurance (IDI) can be a vital part of better protecting your top talent.

1. Social Security Fact Sheet 2024  
2. <https://disabilitycanhappen.org/common-causes/>  
3. <https://disabilitycanhappen.org/disability-statistic/>  
4. <https://disabilitycanhappen.org/disability-statistic/>

THE COVERAGE GAP



THE SOLUTION

So, how can you minimize the expense and offer the best coverage? Individual disability benefits increase overall plan maximums, protect bonuses, and allow for tax-free benefits — all of which allow highly compensated executives to raise their income replacement to necessary levels. When you combine group LTD with individual DI coverage, you get a solid, well-thought-out plan that can deliver big benefits to your top earners while helping to keep your organization’s costs in check.

ADVANTAGES

Benefits to the Employee	Benefits to the Organization
<ul style="list-style-type: none"><li>Provides maximum income replacement ratios.</li><li>Individual DI rates are permanent to age 67 and can be offered as guaranteed standard issue, meaning no medical exams.</li><li>Contracts and discounted rates are portable if the employee leaves.</li><li>Plan can include an additional catastrophic benefit and cover all forms of compensation including equity.</li><li>Employees can have the ability to purchase additional coverage, up to 75% of total compensation.</li></ul>	<ul style="list-style-type: none"><li>Packaged pricing discounts are available with many group LTD carriers when individual DI is added.</li><li>Competitive bidding is high with group LTD carriers when the maximum benefit isn’t increased.</li><li>LTD rate volatility is reduced when risk is spread among a combination of group LTD and individual DI</li></ul>

LET’S TALK

The process is simple. All you have to do is let us review your current census, including salary, bonus, etc., and a copy of your current SPD. There is no cost to you at all.

For more information on Individual Disability, contact 800.262.0588.

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