

AKD Consultants
Adam Dworkin
CPA
188 Whiting Street
Suite 10
Hingham, MA 02043
781-556-5554
Adam@AKDConsultants.com

Can I get disability insurance if I'm self-employed?





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Question:

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Answer:

Yes. In fact, if you're self-employed, disability insurance is even more important for you than for the average employee. If you are injured and are unable to work, you don't have the built-in luxury of paid sick leave to tide you over. So you'll want to take a serious look at your financial situation and decide whether your cash reserves are sufficient to carry you through an extended disability. If not, disability insurance is a good idea for you. At any age before 65, you are statistically more likely to suffer a disability of more than 90 days than to die unexpectedly.

If you purchase it, disability insurance could be the only thing that prevents you from losing things such as your home or your business. When you're unable to work for an extended period of time because of an injury or illness, disability insurance provides a financial safety net by paying you monthly benefits until you are able to return to work. Since your business is likely your only source of income, your disability insurance policy should have as short a waiting period as possible. Most disability policies offer waiting periods of 30 to 180 days after the onset of the disability. When applying for the insurance, you can choose a policy with the waiting period and benefit period you want. Keep in mind, however, that your premium will increase as the waiting period gets shorter and the benefit period gets longer.

Being self-employed, you'll have to purchase this insurance on your own. The availability of coverage will depend on factors such as your occupation, whether you work from home, and whether you have any risky hobbies (e.g., motorcycle racing). Your insurance agent should be able to help you find a disability policy that meets your needs.

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