CoverDad

A COVERDAD GUIDE

INCOME PROTECTION

Protect the paycheck everything else depends on.

You insure your home, your car, your life. But the asset that pays for all of them — your income — is the one most dads leave exposed. Here's how to fix that.

1 in 4	**~$3.8M**	**51M+**
of today's 20-year-olds will face a disability before retirement[1]	the lifetime income a 35-year-old is really protecting[2]	working adults with no disability coverage beyond Social Security[3]

We've got your back — for the whole journey.

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Lasa Links Insurance, Inc. DBA CoverDad · A licensed insurance agency

YOUR BIGGEST ASSET

Your income is the engine. Everything runs on it.

Add up what your paycheck will earn over a career and it dwarfs your house. Yet most families carefully insure the house and the cars while leaving the *income that pays for them* uninsured. Disability insurance protects that engine — and the odds of needing it are higher than most dads think.

1 in 4

20-year-olds will have a disability lasting a year or more before retirement[1]

~90%

of long-term disabilities are caused by **illness**, not accidents[4]

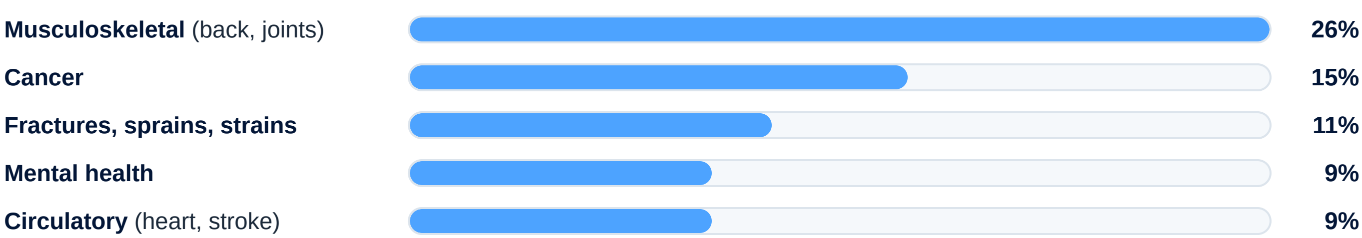
<1%

of workers miss work for a job-related cause — so workers' comp misses almost everything[5]

WHAT ACTUALLY CAUSES IT

Leading causes of long-term disability claims

These are mostly ordinary illnesses and conditions — not dramatic accidents. That's exactly why they're easy to underestimate.



Share of long-term disability claims by cause.[4]

The uncomfortable math

If your paycheck stopped for a year or more, how long could your family cover the mortgage, groceries, and everything else from savings? For most households the honest answer is **not very long** — which is the whole reason income protection exists.

"I'M ALREADY COVERED" — ARE YOU?

The three safety nets most dads assume will catch them

Most people believe something will replace their income if they can't work. Here's what each of those "somethings" actually does — and where it falls short.

Workers' Comp

On-the-job only

Only pays if you're hurt or sickened **at work**. Since almost all disabilities happen off the job, it covers a tiny slice of the real risk.

MISSES ~90% OF CASES

Social Security (SSDI)

Strict & slow

A hard definition to meet, long waiting periods, and a modest benefit. Many initial claims are denied. It's a floor, not a plan.

HARD TO QUALIFY, MODEST

Group LTD at work

Better — but limited

The default most rely on. Useful, but it has real limits worth knowing before you count on it.

CAPS, TAXES, PORTABILITY

Where group coverage through work quietly falls short

It typically replaces only about **60% of base pay** (bonus and commission often excluded), and if your employer pays the premium, **the benefit is taxable** — so your real replacement rate is lower than it looks. Many plans also switch to an "**any-occupation**" definition after 24 months (benefits stop if you can do *any* job), and the coverage usually **doesn't follow you** if you change jobs.

The gap is the point

Between what these three cover and what your family actually needs sits a gap. An **individual disability policy** is what fills it — it stacks on top of group coverage, follows you between jobs, can use the stronger "own-occupation" definition, and (when you pay the premium) pays benefits **tax-free**.

PLAIN ENGLISH

How disability insurance actually works

There are two flavors and a handful of dials. Get these, and you can read any policy with confidence.

Short-term disability

Kicks in quickly (days) and pays for a few weeks up to about a year. Good for recovery from surgery, injury, or childbirth.

Long-term disability

Starts after a waiting period and can pay for years — even to age 65. This is the one that protects against a serious, lasting loss of income.

THE FIVE DIALS

What actually determines your coverage

DIAL	WHAT IT MEANS — AND WHAT TO WANT
Benefit amount	The monthly check. Typically replaces **~60–70%** of income — enough to keep the household running.
Elimination period	The wait before benefits begin (e.g., 90 days). Longer wait = lower premium, so match it to your savings.
Benefit period	How long benefits last — 2 years, 5 years, or **to age 65**. Longer protects against the worst case.
Definition of disability	**Own-occupation** pays if you can't do *your* job; "any-occupation" only if you can't do *any* job. Own-occ is stronger.
Renewability & riders	**Non-cancelable / guaranteed renewable** locks your terms. Useful riders: cost-of-living (COLA), future-increase, and residual (partial) benefits.

Group + individual = the strongest setup

Keep the group coverage you have, then add an **individual policy** on top. The individual piece is portable, can be own-occupation, and pays tax-free when you fund it — closing the gaps group coverage leaves.

IS THIS YOU?

Who needs it most — and how much to carry

Who needs it most

- **Single-income households** — if one paycheck carries the family, there's no backup.
- **Commission & bonus earners** — group plans often ignore the pay that matters most.
- **Self-employed & business owners** — usually no group coverage at all.
- **Younger dads** — cheapest to lock in, with the most working years to protect.

Check your group policy

- What **% of pay** does it replace — and does it count bonus/commission?
- Is the benefit **taxable**? (It is, if your employer pays the premium.)
- **Own-occ or any-occ** — and does it switch after 24 months?
- Does it **follow you** if you change jobs? (Usually not.)

How much should you carry?

Aim to replace enough to keep the household running — generally **60–70% of your income**. Start with your group coverage, then stack an individual policy on top to close the gap. Lock it in while you're young and healthy, choose **own-occupation**, and stretch the benefit period toward age 65 if the budget allows.

Own a business?

Add **Business Overhead Expense** disability insurance — it keeps rent, payroll, and the lights on if you're the one who can't work, so the business is still there when you recover.

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WHERE COVERDAD COMES IN

Put a floor under your family's income

CoverDad is the insurance home for dads. We'll help you read your current coverage, find the gap, and close it — start online, or talk to a licensed agent. Your call.

1

Know your gap

Check what your group coverage really replaces — and what it doesn't.

2

Talk it through

A licensed CoverDad agent sizes an individual policy to close the gap.

3

Lock it in

Secure own-occupation coverage while you're young and healthy.

Find out what your paycheck is really worth protecting

A quick conversation shows you the gap in your current coverage — and what it costs to close it.

Talk to a licensed CoverDad agent →

getcoverdad.com/coverbility · help@getcoverdad.com

IMPORTANT DISCLOSURES

General education. CoverDad is a brand of Lasa Links Insurance, Inc., a licensed insurance agency. This guide is general educational information only — not insurance, financial, tax, or legal advice, and not a recommendation to buy any specific product. Product availability, features, and pricing vary by state and carrier and are subject to underwriting and approval; we do not guarantee approval or rates. When you purchase coverage through us, we may receive a commission.

About disability insurance. Definitions of disability (including own-occupation vs. any-occupation), elimination periods, benefit periods, benefit amounts, riders, and renewability provisions vary by policy and carrier. The tax treatment of benefits generally depends on who pays the premium and with what dollars; consult a qualified tax advisor. Policies contain exclusions and limitations; read your policy for details. Group coverage terms differ from individual policies.

Sources. [1] U.S. Social Security Administration, Disability Benefits (Pub. No. 05-10029) — a 20-year-old worker has a 1-in-4 chance of a disability before full retirement age. [2] Illustrative: a 35-year-old earning $80,000 with 3% annual raises over 30 years (≈ $3.8M); your figure will differ. [3] Council for Disability Awareness / U.S. Census & MacroMonitor data. [4] Integrated Benefits Institute, 2024 (leading causes of long-term disability claims; the large majority are illnesses). [5] U.S. Bureau of Labor Statistics, 2024. Figures are national and directional.