

# Savings and Disability

Disability income (DI) insurance may be last on your list of insurance products to buy, but if you become too sick or hurt to work and do not own a DI insurance policy, everything that relies upon your income (mortgage, family expenses, retirement, etc.) will come out of pocket— **your pocket**.

## Option A – Savings

### Assumptions:

- Male
- Age 30
- Salary: \$75,000
- **Savings:** 5% per year (\$3,750)
- **Monthly Expenses:** \$4,000



One year of expenses due to a disability

**\$48,000**

(\$4,000 x 12 = \$48,000)

Wipes out nearly  
**13 Years of savings**

(\$3,750 x 13 = \$48,750)



Years Disabled	Total Expenses	Approximate Years of Savings Needed
1	\$48,000	13 years
2	\$96,000	26 years
3	\$144,000	38 years
4	\$192,000	51 years

## Option B – Purchase DI Insurance

### Assumptions:

- Male
- Age 30
- Salary: \$75,000
- Radius Choice\*
- 4A occupation class
- 90 day elimination period
- Benefit period to age 65
- \$4,050 monthly benefit

\*Includes the Extended Partial Disability Benefits Rider – required in CA

Annual Benefit

**\$48,600**

**\$1,500**

Annual premium



One year of benefits = **32 years of premiums**

The sample rate shown is for a male.

DI insurance costs for a woman using the same parameters are **\$2,133**.

For a female, 1 year of benefits would equal 21 years of premiums.

Years of Premiums	Total Premiums Paid	Duration of Benefits Received to Break Even
1	\$1,346	10 days
5	\$6,730	1 month, 21 days
10	\$13,460	3 months, 11 days
15	\$20,190	5 months, 2 days
20	\$26,920	6 months, 22 days

Hypothetical example. Actual numbers may be higher or lower depending on several factors including gender and occupational class.

The sample shown is for a male.

For a female using the same parameters would be as follows:

1 year of premiums equals \$2,133 with a break-even point of 16 days.

5 years of premiums equals \$10,663 with a break-even point of 2 months, 20 days.

10 years of premiums equals \$21,325 with a break-even point of 5 months, 10 days.

15 years of premiums equals \$31,988 with a break-even point of 8 months.

20 years of premiums equals \$42,650 with a break-even point of 10 months, 20 days.

**Renewability, Cancellability and Termination:** This policy is Non-Cancellable until the Policy Anniversary on or next following the Insured's 65th birthday. During that time, we cannot change the premiums or cancel the Policy unless requested by You, and, as long as premiums are paid on time, we will continue coverage. Thereafter, the policy is Conditionally Renewable until the policy anniversary on or next following the Insured's 75th birthday as long as the Insured is Actively at Work and is not Disabled. We can change the premiums while this policy is Conditionally Renewable.

**The Policy also sets forth certain limits.**

**Elimination Period:** The Policy does contain an Elimination Period. This is the period immediately following the start of Disability during which benefits do not accrue.

**Medical Examination:** A medical examination may be required to apply for the Policy.

**Exceptions, Reductions and Limits of the Policy:**

The Maximum Benefit Period is 24 months for each period of Disability caused or contributed to by a Mental Disorder.

**This Policy does not provide any benefit for any Disability:**

- caused or contributed to by declared war or undeclared war or act of war.
- caused or contributed to by active participation in a riot or insurrection.
- caused or contributed to by any intentionally, self-inflicted Injury.
- caused or contributed to during the Insured's commission of, or attempt to commit, a felony or to which a contributing cause was the Insured's being engaged in an illegal occupation.

The Policy does contain a provision which may not cover a Disability which is traceable to a condition existing prior to the effective date of the Policy.

There may be other exclusions or limitations associated with riders or endorsements if any are attached to your policy.

Radius Choice (policy form XLIS-RC-15(CA)) is a disability income insurance policy issued by **Massachusetts Mutual Life Insurance Company**, Springfield, MA 01111-0001.

For costs and complete details of coverage, please call your MassMutual® representative or MassMutual at 1-800-272-2216 (press 3) to be referred to a representative in your area.

