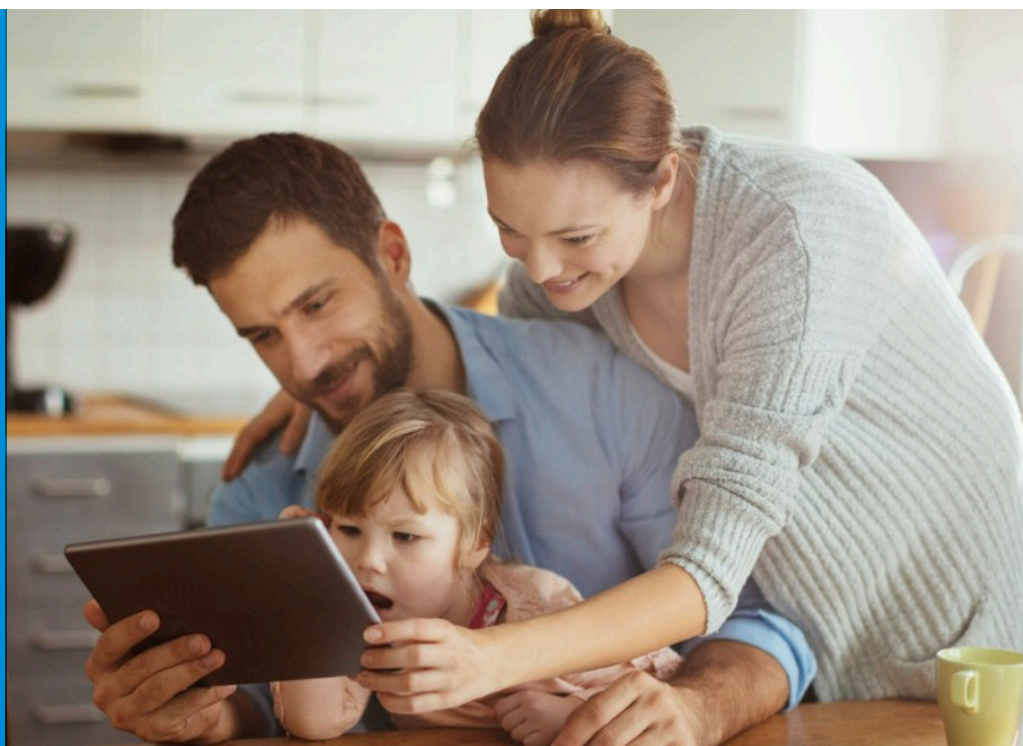


Understanding Life and Disability Income Insurance



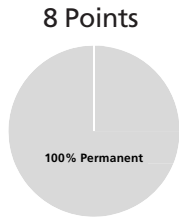
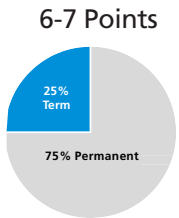
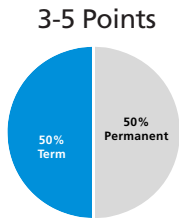
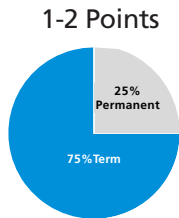
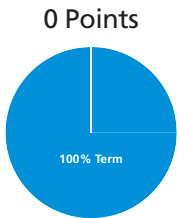
What type of life insurance do I need?

Some people feel they need life insurance for a certain period — just long enough to meet their responsibilities for those who depend on them.

This is typically done with term insurance. Others, however, recognize that owning some life insurance for their entire lives can provide them with added protection and flexibility as they prepare for life's possibilities. This is typically done with permanent insurance. Many people find their objectives are best met with a combination of term and permanent insurance.

| | Circle Your Preference | |
|--|------------------------|----------|
| 1. The idea of leaving an inheritance is important for my family or a charitable organization. I would want to do this efficiently. | Agree | Disagree |
| 2. My adult children and parents may rely on me for financial support. I want to ensure my life insurance policy is there if they need it. | Agree | Disagree |
| 3. I would prefer the least expensive type of life insurance, even though my benefits may expire at some point in the future. | Agree | Disagree |
| 4. I only want life insurance for a limited time (e.g., until my mortgage is paid, my children finish college, or other financial obligations are met). | Agree | Disagree |
| 5. If I die before my spouse during retirement, I want to ensure they receive a life insurance death benefit. | Agree | Disagree |
| 6. If I were to die during my working years, I would want my family to receive a life insurance death benefit that would replace my income. | Agree | Disagree |
| 7. Regardless of how long I may live, it's important for me to have my life insurance in place when I die. | Agree | Disagree |
| 8. I don't want to commit to permanent insurance today; however I'd like to have the right to convert term coverage into permanent coverage in the future should my situation change, without undergoing additional medical screening. | Agree | Disagree |

| | Question | Agree | Disagree | Score |
|--|----------|-------|----------|-------|
| Instructions: Circle your answers in the table to the right. Add the scores to determine the type of policy or policies that should be considered based on your situation. | 1. | 1 | 0 | |
| | 2. | 1 | 0 | |
| | 3. | 0 | 1 | |
| | 4. | 0 | 1 | |
| | 5. | 1 | 0 | |
| | 6. | 0 | 1 | |
| | 7. | 1 | 0 | |
| | 8. | 0 | 1 | |



| 100% Term | 75% Term 25% Permanent | 50% Term 50% Permanent | 25% Term 75% Permanent | 100% Permanent |
|---|---|---|--|--|
| You're concerned about protecting those who depend on you; however, today, you feel you only want coverage for a limited period. Based on your answers, a term life insurance policy with the option of future conversion should be considered. | You recognize the importance of owning life insurance throughout your life; however, you also acknowledge that your biggest concern is protecting those who depend on you during your working years. Life insurance products with mostly term insurance and a small amount of permanent insurance should be considered based on your answers. | Your answers show that you appreciate both the benefits of permanent and term insurance. Life insurance products consisting of equal amounts of term and permanent protection should be considered based on your answers. | Protecting those who depend on you for your entire lifetime — regardless of how long you may live — is most important to you. Your preferences indicate that life insurance products consisting primarily of permanent insurance should be considered based on your answers. | You want lifetime protection, to leave a legacy, and to protect your spouse's retirement income. A permanent life insurance policy should be considered based on your answers. |

If you would like to take advantage of a free meeting with a financial professional, email us at Retirewise_support@metlife.com. Please include your contact information and company name.



Do I need disability income insurance?

What's your most valuable asset?

What would you say if we asked you what your most valuable asset was? It's not your house. It's not your car. It's not your retirement account. Your most valuable asset is your ability to earn a living.

Protection for your paycheck for when you can't work

Disability income insurance helps protect your paycheck when you can't work due to an accident or injury. The likelihood of that happening may be higher than you think: Twenty-five percent of 20-year-olds working today will be disabled before they reach retirement¹ and 68% of Americans wouldn't be able to cover their living expenses for just one month if they lost their primary wage earner.

Do I need it?

Here's a good way to think about that question: The length of the average long-term disability is between 2 and 3 years for a 25 to 35-year-old, and just over three years if you're between the ages 40 and 50.¹ Ask yourself whether you or your family would be able to meet your financial commitments if you couldn't work.²

If you can't work, disability coverage provides direct payments that may allow you to cover everyday expenses. You can use the money on whatever you like, from groceries and gas to your mortgage.

Types of disability income insurance

There are two main types of disability insurance—short-term disability (STD) and long-term disability (LTD) coverage. Both replace a portion of your salary up to a capped amount. That amount is usually in relation to your salary.

- Short-term disability (STD): Typically replaces a portion of your income (usually 60% of your base salary) for the early period of disability—in general, 13 to 26 weeks. Benefits are paid weekly. After you become disabled, you may have to wait about two weeks before benefits are paid.
- Long-term disability (LTD): Complements short-term disability for extended disabilities—often for five years or until age 65. Benefits are paid monthly, employer plans typically replace up to 60% of the base salary.

How much does it cost?

You can expect to pay between 1% and 3% of your annual salary in premiums. The actual amount will vary based on how much coverage you buy.

How much do I need?

The short answer is that you may need enough coverage to support yourself and your dependents and don't forget to account for your bills and loan payments, too. A good rule of thumb is that your disability benefit should be about 60% of your gross pay, which usually equals your take-home paycheck.³

You may already have it

Check to see if disability coverage is made available to you from your employer. If so, be sure to look carefully at this coverage since group benefits alone may not be enough due to potential benefit limitations and types of income covered. Your employer may also offer a buy-up option as an easy way to secure additional coverage.

Look at the future

Disability income insurance—you don't want to need it. But if you need it, you and your family definitely don't want to be without it.

If you would like to take advantage of a free meeting with a financial professional, email us at Retirewise_support@metlife.com. Please include your contact information and company name.

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- 1 El, Aten-Re, "95+ Disability Insurance Stats & Disability Facts", Simply Insurance, February 4, 2023
 - 2 Gillespie, Lane, "Bankrate's 2023 annual emergency savings report", Bankrate, February 23, 2023
 - 3 Gambhir, Nupur, "How much disability insurance do I need?", Policygenius, July 21, 2021

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