



LM Federal Credit Union
Aaron Welch, RFC
Financial Advisor
1200 E Joppa Road, Suite G
Towson, MD 21286
667-308-2724
awelch@moneyconcepts.com



**Wealth Management &
Financial Planning Services**

Do long-term disability insurance premiums depend on the nature of my job?

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Question:

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Answer:

Yes. If you have long-term disability coverage through a group plan offered by your employer, your premium will be the same as the premium of everyone else who participates in that plan. But, the premiums for everyone will depend on the general risks of the industry in which the employees work. If you're buying an individual policy, your profession will also determine your premium. The difference is that many other personal factors will affect your premiums, such as your health, income, hobbies, and so on.

Common sense (and statistical data) indicates that some jobs are more dangerous than others. Construction workers, police officers, firefighters, and miners are more likely to be injured on the job than are architects, artists, or sales professionals. If you work in a high-risk occupation, you may be denied individual disability coverage altogether. Or, you may be offered it only at a very high premium. The insurance company will group your job in a risk category based on your duties and the industry's claims experience with people in that occupation. All other factors being equal, the higher the claims rate by individuals in your profession, the higher your premiums for long-term disability insurance are going to be.

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