

EXECUTIVE COVERAGE GAP

Traditional long term group disability insurance does not adequately protect highly compensated individuals.

VARIABLE COMPENSATION IS NOT PROTECTED

Traditional group insurance only covers 60% of base income. Future bonus income, restricted stock and stock option units are not covered should an individual become disabled.



BENEFITS ARE GENERALLY NOT TAX FREE

An individual's net take away is only a fraction of their base income.

BENEFITS MAX OUT AT \$25K A MONTH

Most long term group disability plans have a monthly maximum benefit in place.



SAMPLE SCENARIO:

NO EXCESS DISABILITY COVERAGE

1 Greg is the head of HR making: **\$75,000 a month**

- \$300,000 a year in base salary
- \$300,000 a year in bonus income
- \$300,000 a year in restricted stock units

2 He gets cancer and must stop working to go to chemotherapy.



3 He must pay for rising medical costs & adjust to living on just 12% of his pre-disability income.

\$9,000 a month

(after taxes. assumes 60% tax rate)

Did you know? Roughly 50% of home foreclosures are attributable to disability.

To learn more about closing the executive income gap, contact us at info@westportgp.com

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