

Accidental Death & Dismemberment and Your Life Insurance — What You Need to Know

We all understand the importance of carrying life insurance, particularly if you have a family that depends on your income. But if you were to have bad accident that left you with the loss of a limb, eyesight or hearing, you would be unable to rely on it to replace your lost income.

Fortunately, such a scenario may be avoided with an accidental death and dismemberment (AD&D) rider to your life insurance policy. This optional rider enhances the underlying life insurance, which will pay a death benefit if the insured dies from any cause (except in committing a felony, or by suicide).

If the insured dies from an accident, the AD&D rider pays an additional amount.

On top of the accidental death benefit protection, the rider pays out a cash benefit in case of the loss of a limb, eyesight, hearing or speech. This can be very important because even though the insured doesn't die, the injury may cause a permanent disability and loss of income. There may be some significant medical bills, as well.

You can use the cash AD&D benefit under the following circumstances:

- Income to live on
- Medical bills
- Travel for medical treatment
- Prosthetic limb costs
- Education or job retraining
- Occupational or physical therapy
- Adaptive technology, such as custom cars
- Home modifications, such as the installation of wheelchairs or lifts
- Service dog acquisition costs
- Lawyers' fees as you seek to recover damages from another party who caused your injury.

How the rider works

An AD&D rider may provide important additional layers of protection against financial catastrophe for you or your family.

If the insured dies as a result of an accident, the rider pays out an additional amount of death benefit. Typically, the additional benefit paid out is equivalent to the face amount of the original policy, which doubles the benefit.

AD&D will only pay a percentage of the face value of the underlying life insurance policy for dismemberment, which can include paralysis or the loss of use of a limb, sight, hearing or

speech. Each insurance carrier's policy has its own rules regarding what is covered and how much is paid out.

You can also buy AD&D insurance as a stand-alone policy. This could be a good strategy if you can't medically qualify for a standard policy.

AD&D doesn't require a medical exam and can be put in place quickly.

Exclusions

It's important to note that all AD&D riders will have certain exclusions. These typically include:

- Actions taken while committing a felony.
- Specified high-risk activity (e.g., skydiving, motorcycle racing, helicopter skiing.)
- Actions taken while under the influence of alcohol or drugs.
- Suicide or attempted suicide.

Does an AD&D rider make sense?

According to the Centers for Disease Control, accidental/unintentional death is [the leading cause of death for Americans up to age 44](#). It kills more in this age group than heart disease, strokes, COVID-19 and malignant cancer combined.

So, carrying some additional AD&D coverage may make sense, especially when you have family depending on you.

But don't skimp on a good life insurance policy that will provide protection regardless of the cause of death. While fatal illness, strokes and heart attacks among younger people are rare, they do happen. AD&D does nothing to protect against these causes of death.

Who should consider AD&D insurance?

Consider AD&D if any of these circumstances apply to you:

- You can't medically qualify for a standard life insurance policy.
- You're buying the biggest group life insurance death benefit available, and you want more protection.
- You have all the base life insurance protection you need and can afford the extra cost of the rider.
- You operate machinery.

- You are in a high-risk profession.
- You drive a lot.

Life insurance and AD&D protection are surprisingly affordable. If you want additional life insurance protection, or to purchase an AD&D policy, do please give us a call.

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