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LIFE INSURANCE FOR PARENTS OF CHILDREN WITH A DISABILITY

About **one-in-five** households in the United States are caring for a child that has a disability. Raising a child with a disability can pose significant financial pressures on families. The cost of medical, transportation and living expenses can add up over time, meaning that these households are spending **roughly five times** the amount on raising a child without a disability.

The higher cost of living for children with a disability can have a long-term financial impact throughout their adult lives. On average, adults with disabilities require **28% more income** to obtain the same standard of living as a comparable household without disabilities.

Life insurance can help parents provide financial certainty for their children and build a more secure future for themselves.

In a lifetime, the cost to raise a child with a disability can range between $1.4 million and $2.4 million.

ACCESS TO FINANCIAL HELP AND PRODUCTS

Navigating long-term financial needs for people living with a disability can take time and expertise. Access to a financial professional can help parents determine what products and strategies will work best in their circumstances.

For example, permanent forms of life insurance, such as **whole life**, can provide lifelong protection. With whole life insurance, parents can set up a **special needs trust**, also known as a supplemental needs trust, for their child with a disability.

This trust, administered by a person or an entity assigned by the parents – **the trustee** – holds assets for the child. The parents specify in the trust how the money should be used. The beneficiary can be the child. The trustee holds and distributes assets according to the terms the policyholder decides when the trust is created. There are many considerations when considering a special needs trust, so working with a financial professional is advised.

PEACE OF MIND

Life insurance is an important tool for families, especially those who are raising children with disabilities. Life insurers are committed to keeping products and services available and accessible **to ensure that all Americans and their children can achieve peace of mind.**

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