

Can I Buy Long-term Disability or Critical Illness Insurance if I Work from Home?

Andrea Bassett | May 3, 2020



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Can people who work at home get long-term disability and critical illness insurance? Absolutely! Let's look at what these forms of insurance are, how to get them whether you work at home as an employee or self-employed businessperson and why they're important.

What is long-term disability insurance?

Long-term disability—also known as LTD—insurance protects people under 65-years-old who are no longer able to work due to an injury or illness. When your LTD insurance kicks in, you get a monthly payment. According to [SunLife Canada](#), “Long-term disability insurance generally covers you from the 120th day (or other specified waiting period) to traditional retirement at age 65.”

What is critical illness insurance?

Critical illness—also known as CI—insurance pays you a lump sum if you're diagnosed with a critical illness specified in your insurance policy within the term you purchased. You can buy critical illness coverage for a term of 10 years or more, including a whole life term. [Policy Advisor magazine](#) says critical illness insurance is, “a living benefit because it does not depend on whether you have recovered or not.” Once your diagnosis is confirmed, the money is yours.

How to get long-term disability and critical illness insurance when you work from home

Whether you're an employee or are self-employed, working from home doesn't affect your ability to obtain long-term disability and critical illness insurance. [However, working from home can affect your home insurance. For more on that, read our article, *Does Working from Home Invalidate Your Home Insurance?*]

If you're an employee and have benefits through your work, it's likely you have the option to add these two types of insurance to your benefits plan.

If you're self-employed and you work from home, you can get long-term disability and critical illness insurance as part of your health insurance plan. To learn more about the options and limitations of healthcare insurance for owners of home-based businesses, read our article, *Can I Get Health Insurance if I Start a Home-based Business?*

Why long-term disability and critical illness insurance is important for people who work from home

Some employees might not find long-term disability and critical illness insurance essential (whether they work from home or not). This largely depends on their level of risk tolerance.

However, these types of insurance are especially important for self-employed people and small business owners who work from home because they are 100% responsible for generating business revenue and their own paycheques. Without this protection, getting an illness or disability puts their livelihoods and families at risk.

This is relevant now more than ever because entrepreneurship and microbusinesses are exploding (in a good way) in Canada.

According to the BDC's report, *A Nation of Entrepreneurs*, "44,700 Canadians started a business in 2018—the highest number in a decade." And [Statistics Canada](#) reports that in 2107, 53% of Canadian businesses have between one and four employees.

It's safe to assume that many of these entrepreneurs work from home. If that's you, protect yourself!

Conclusion

It's a bummer to think about developing a critical illness or becoming so disabled that you can't earn a living. But after you sign up for long-term disability and critical illness insurance, you don't have to think about it anymore. Instead, you can rest easy knowing that you and your family are protected. So, what are you waiting for?

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