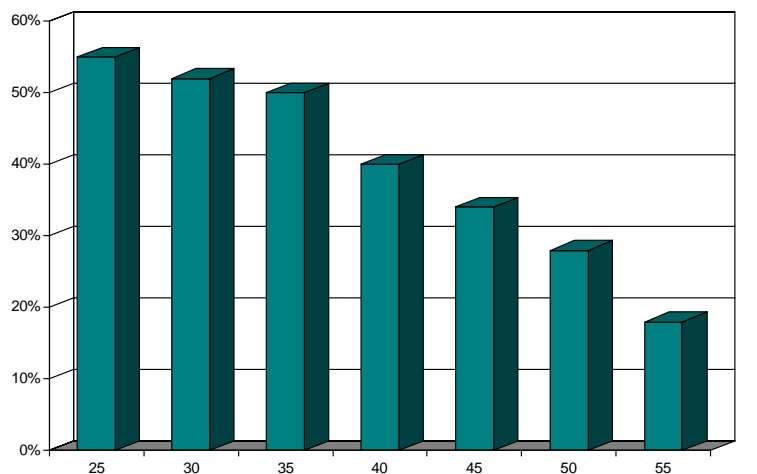


Disability Strategies

During the course of typical careers, three in 10 workers entering the work force today will become disabled before retiring.¹ Additionally, most people in the U.S. are better prepared financially in case of death (usually because of life insurance) than if they become disabled – even though the chances are at least three to five times greater (depending on age) that a disability will occur.²



Chances of Becoming Disabled for Three Months or Longer Before Age 65³

Alternate Sources of Income During Disability

- Social Security
- Borrow funds
- Liquidate savings/investment assets

Each of these alternate income sources has an inherent downside. Generally speaking, the government's strict definition of "disability" may make it difficult to qualify for Social Security disability benefits. Also, without a defined source of income, borrowing funds may not be available as an option. Finally, liquidating savings and investment assets to provide current income may require you to utilize assets in the present that you will need in the future for your retirement.

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Acquiring Disability Insurance

If you rely on earned income as your primary income source, it is crucial to have a plan to replace that income in the event of a disabling injury. Therefore, we recommend that you evaluate disability insurance in order to provide this protection for you and your family. You may purchase this coverage through an employer-sponsored program or from your Wachovia Securities Financial Advisor.

Assuming, for example, that a married couple currently earns \$200,000 and \$65,000 respectively, the income replacement monthly need is shown below:

	Client 1	Client 2
Current Annual Salary	\$200,000	\$65,000
60% Monthly Income Replacement ⁴	\$10,000	\$3,250
50% Monthly Income Replacement ⁴	\$8,333	\$2,708

Definition of "Disability"

When evaluating a disability policy, it is important to understand how the insurer defines "disability." Some policies consider the individual disabled if he or she is not able to perform the duties of the occupation for which he or she is suited by education, training, or experience. Other policies define "disability" as the inability to perform the duties of any occupation. Although a policy such as this with a narrow definition of "disability" will likely have lower premiums, it may not provide adequate coverage to meet your needs.

¹ Source: Social Security Administration, Fact Sheet 2007

² Source: National Underwriter

³ Source: National Association of Insurance Commissioners (NAIC) Individual Disability Table; Statistical Abstract of the United States.

⁴ Note: Most policies limit the monthly benefit to roughly 50-60% of the insured's earned income.