



Disability insurance

Disability insurance can protect you by replacing a portion of your income if you can't work due to a serious illness or injury.

[Speak to a Sun Life advisor to learn more](#)

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What is disability insurance?

Disability insurance (DI) helps protect you financially by replacing a portion of your income. You receive a benefit if you're ever diagnosed with a covered medical illness, mental health issue, or injury that prevents you from working.

Disability insurance is a type of [health insurance](#). Other types of health insurance include [personal health insurance](#), [critical illness insurance](#), and [long-term care insurance](#). What makes disability insurance different from other health insurances is that it is insurance for your income and is linked to your ability to work. It can help you meet your financial obligations during your recovery until you can return to work.

How does disability insurance benefit you?

When you're unable to work because of an illness or injury, your income stops – but your bills don't. Disability insurance can help you cover your bills in the short and long term so that you can focus on managing your health and condition.

Getting an individual disability insurance policy can be beneficial for you even if you don't work in a physically demanding role. As an example, if you are diagnosed with major depression that prevents you from working, your policy could replace a portion of your income while you focus on your mental health.

Types of disability insurance

There are different kinds of disability insurance coverage, including individual insurance plans, group insurance plans, as well as government plans such as worker's compensation and benefits provided under the Canada Pension Plan.

Depending on the coverage you have, your policies or plans may also refer to your disability coverage as either 'short-term disability' or 'long-term disability' plans.

The difference between short-term disability and long-term disability is that short-term disability benefits are paid out almost immediately after you are injured or diagnosed with an illness. Long-term disability benefits, however, have longer waiting periods before benefits start, and are intended to maintain income replacement if your condition keeps you out of work past the end of your short-term disability period.



Learn more about disability insurance

Not sure if disability insurance is right for you? Talk to a Sun Life advisor. Our advisors look at your specific needs to help you figure out which insurance products you need.

Enter your postal code to connect with an advisor near you.

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Frequently Asked Questions

How do insurance companies define a disability?

In insurance, a disability can refer to a physical or mental condition that limits an individual's ability to carry out important life functions or activities, like being able to work.

Canadian disability insurance plans can cover conditions that extend beyond visible or physical disabilities. Many policies offer coverage for 'hidden' or non-visible disabilities including mental health conditions, autoimmune diseases, chronic pain and fatigue disorders, or neurological disorders.

Is disability insurance worth it in Canada?

Disability insurance may be worth it in Canada depending on your situation. Many Canadians assume that our healthcare plans and tax credits, such as the [disability tax credit](#), are enough to protect against income loss.

Keep in mind that government plans may come with certain limitations and may not offer enough protection.

Speak to a Sun Life advisor to find out if disability insurance is right for you.

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How much does disability insurance pay in Canada?

In general, Canadian disability insurance plans can help you replace between 60% to 90% of your regular income (up to a maximum amount) for a specified time if you cannot work.

Some DI plans pay taxable benefits while others pay tax-free benefits. Speak to a Sun Life advisor for details.

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What is the difference between disability insurance and disability income insurance?

There is no difference between the two. Disability insurance is also sometimes called disability income insurance.



Where can I learn more about disability insurance?

An advisor can provide more detailed information about disability insurance and answer any questions you have.

Enter your postal code to connect with an advisor near you.

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Additional resources

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Life's brighter under the sun

We acknowledge that Sun Life operates in many Territories and Treaties across Canada. Our Canadian headquarters in Waterloo are on the traditional territory of the Anishnaabeg, Haudenosaunee Confederacy and the Mississaugas of the Credit First Nations.

Today, Canada is still the home to many Indigenous, First Nations, Inuit, and Metis peoples from all across Turtle Island. We are grateful to have the opportunity to work in this territory. We offer this acknowledgment as a stepping stone towards honouring the original occupants, as a testimony to the oppression faced by Indigenous peoples, and our commitment to Indigenous communities and employees of Sun Life.

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