

## **Do you need disability insurance? Let's look at the facts.**

For most of us, the idea that we could become disabled due to an illness or injury seems pretty remote. But no matter how many times we tell ourselves, "It will never happen to me," there's no getting around the fact that it does happen—everyday—to people just like us.

**In fact, the likelihood of a 20 year-old worker being disabled before they retire is now better than 1 in 4.<sup>1</sup>**

If this statistic seems high, it's important to keep in mind that 90% of all disability claims are the result of common illnesses such as stroke or cancer, not random accidents. That's why it makes so much sense to protect ourselves—and our loved ones—from the financial impact a disability could have during our working years. After all, how long would we be able to make ends meet if we were out of work for a month, a year, or possibly even longer?

**The average disability claim lasts almost three years.<sup>2</sup> Yet, according to an industry survey, half of all working Americans couldn't go a month without a paycheck before financial difficulties set in.<sup>3</sup>**

While Social Security may seem like the obvious solution, benefits are limited to long-term disabilities and there is a six month waiting period before payments begin. Even then, the income we receive may not be enough to cover the mortgage, pay medical bills, or meet any of our other day-to-day needs.

**In 2016, the average monthly benefit paid by Social Security Disability Insurance (SSDI) was \$1,171 a month.<sup>4</sup>**

Workers' Compensation is another program that provides disability benefits, however not all employers are required to participate. What's more, most of us will only qualify for benefits if we are injured on the job or become seriously ill due to a work-related activity. Injuries or illnesses that take place in the home are generally not covered under this program.

**Less than 5% of disabling accidents and illnesses are work related. Therefore, 95% of all disability claims are not covered by Workers' Compensation.<sup>5</sup>**

There is, of course, one more potential source of disability benefits. While some of us have access to disability coverage at work, these plans are often generic in nature and may not have all the features and benefits we need. And, because these plans accept a wide range of applicants, they often charge high premiums to help offset the risk. Plus, most workplace plans are not portable so we cannot take this coverage with us if we switch employers.



While a disability can cause financial hardships at any age, it can be particularly troublesome for working-age families. After weighing all the facts, it's easy to see why our members need—and deserve—a quality, economical source of disability protection. That's why we went out and developed a Group Disability Insurance Plan with New York Life Insurance Company that's substantial enough to stand on its own, and flexible enough to be an extra safeguard for those who want more financial security.

To find out about our exclusive [Association/Affiliation] Group Disability Insurance Plan, please visit our website at [URL]\*\*. For your convenience, we've provided everything you need including features, costs, eligibility, renewability, limitations, exclusions, and more. If you want, you can even receive a quick, no-obligation quote. Or, if you prefer to speak with a representative, call us directly at [Association/AffiliatePhone].

\*\* Alternate sentence for different group structures: To find out about [Association/Affiliation] Group Disability Insurance Plan, please visit our plan administrator's website [TPA Name] at [URL].

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<sup>1</sup> U.S. Social Security Administration, "Fact Sheet," June 2016 @ <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>

<sup>2</sup> The Council for Disability Awareness, "Disability Statistics," accessed on April 7, 2017 @ [http://www.disabilitycanhappen.org/docs/disability\\_stats.pdf](http://www.disabilitycanhappen.org/docs/disability_stats.pdf)

<sup>3</sup> Life Happens, "Disability Insurance," accessed on April 7, 2017 @ <http://www.lifehappens.org/insurance-overview/disability-insurance/>

<sup>4</sup> U.S. Social Security Administration, "Fact Sheet," June 2016 @ <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>

<sup>5</sup> LifeHealthPro, "The ethical considerations of selling disability insurance," May 6, 2015 @ <http://www.lifehealthpro.com/2015/05/06/the-ethical-considerations-of-selling-disability-i>

