

## Helping Employers Understand What Disability Benefits Can Offer

by Rick Shube

**H**ow would you and your family pay for living expenses if an unexpected illness or injury left you unable to work? "We couldn't" would be the answer for a significant number of Americans. The Council for Disability Awareness cites that unforeseen illnesses and injuries cause 350,000 personal bankruptcies each year.

Monthly expenses are not limited to rent or a mortgage, a car payment, utilities, and groceries. Expenses like childcare, transportation, credit card balances, and student loans also add up. A recent survey by the American Payroll Association revealed that 67% of respondents would find it difficult to meet financial obligations if their paycheck was delayed for one week. Trying to make ends meet in the face of an injury or illness can make an already stressful situation seem even more daunting.

We know that three in 10 workers who are entering the work force today will become disabled before retiring, according to a 2007 fact sheet by the Social Security Administration. Disability insurance can minimize the likelihood that a disabling injury or illness will cause financial hardship. Brokers can help employers see the value in offering their employees disability coverage.

The easiest way for most people to get disability coverage is through their employer. It is usually available as short-term (STD) or long-term (LTD) coverage. Disability insurance pays a percentage of an employee's salary for a specified period if the employee becomes disabled. Disability coverage is not the same as workers' compensation coverage, which applies if an employee is injured on the job.

### Flexible options for a variety of needs

Brokers play a critical role by giving employers information to help them make informed decisions about disability plans. When appropriate, brokers can encourage employers to offer the option to purchase

additional buy-up disability coverage. An additional premium can mean added security in a time of financial need. It usually adds 10% to 20% to the disability income.

You might also consider encouraging employers to offer disability insurance on a voluntary basis. Employees appreciate the group rates and the convenience of payroll deduction. Voluntary disability plans help employees protect their income and help employers keep maintain a competitive benefits package.

Another flexible option is voluntary mid-term disability coverage, which helps protect income until the employee becomes eligible for Social Security disability benefits. Mid-term disability coverage has a longer elimination period than STD and a shorter coverage period than LTD. With Mid-term disability coverage, employees can get help securing Social Security benefits while protecting retirement savings.

### More than Just a Paycheck

You can remind employers that disability plans offer many services and online resources. Insurance carriers have been enhancing their online capabilities. Online calculators help employees determine how much money they would need to replace their income if they were no longer able to work. Some providers feature online disability claim filing. A few even provide online access to disability claim status and payment information, such as check amounts and issue dates.

Employee assistance programs help employees cope with the emotional aspects of a disability. These programs provide valuable work/life support for employees and family members through phone or in-person behavioral health assistance and online resources. Enhanced programs that provide employer-level services are also available.

Online tools are often available to help with the claim process and return-to-work. These include information on what supervisors and human resources professionals

need to do during each phase of a disability absence, what to expect from their plan provider, and how to maximize return-to-work programs.

### Don't Procrastinate

Brokers have the opportunity to educate employers how disability insurance can contribute to a more productive workforce. This spring is a perfect time to encourage your employer customers to consider launching an employee awareness campaign. After all, May is National Disability Insurance Awareness Month. For more information, visit [www.cigna.com/diam](http://www.cigna.com/diam). □

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### What to look for when helping employers consider group disability plans:

- Flexible plan design options to meet lifestyle needs.
- Robust employee education and communication programs.
- Online employee support tools for coping during disability.
- Value-added programs for employees before, during, and after.
- Strong return-to-work programs.
- Online employer support tools for administrative ease.