



# News That Sells

## DISABILITY ARTICLE HIGHLIGHTS

### A Nation in Denial

*Taken from Broker World, March 2008.*

- No one wants to entertain the possibility of not being able to earn an income—especially someone who is young and healthy—and most people have a tendency to believe “it will never happen to me.”
- 85% of workers express little or no concern that they may suffer a disability lasting three months or longer, and more than half are unaware that the chances of becoming disabled have risen over the past five years.
- Most workers are not doing much planning for the future at all as over one-third of Americans have no retirement savings whatsoever.
- Employers can be a vital link in the education and communication process, particularly as more disability benefits are being offered on a voluntary basis at the worksite.

### DI: Selling the Need

*Taken from Life & Health Advisor, April 2008.*

- Though disability insurance is often overlooked, protecting one’s income should be one of the three most important coverages, right alongside healthcare and life insurance.
- Studies show the disability market continues to be under-penetrated, with just four in ten firms offering an LTD benefit.

- In addition, the need for supplemental coverage is becoming increasingly important as more employers offer disability coverage as a split-dollar plan.
- Employees today need to protect a larger ratio of their income from the impact of disability in order to maintain their lifestyles and meet their retirement goals.
- By integrating employer-funded group coverage with individual supplemental DI, insurance advisors can not only help companies enhance their benefits offerings and control costs, but they can also give employees a vital financial planning tool to maximize protection for their income.

### Integrated EAP, Disability Plan Helps Employer Reduce Costs

*Taken from Business Insurance, December 22, 2008.*

- Combining the services of an employee assistance program with a disability management program can shorten the duration of medical disability claims, one employer has found.
- The integrated program is a form of “behavioral risk management,” an emerging area of workforce risk management and health care cost containment designed to better understand the underlying behavioral aspects of claims, productivity and employee relations issues, said Marcia Carruthers, President and Chief

Executive Officer of the Disability Management Employer Coalition, a nonprofit based in San Diego.

- “We use psychology to get a take on what may be happening below the surface,” she said during a session on behavioral risk management at the 22nd National Conference on Health, Productivity and Human Capital held December 8-10 in San Diego.
- She estimated that psychiatric conditions, which often occur in conjunction with medical disability, may be costing U.S. employers an estimated \$344 billion annually in lost productivity and medical costs.
- “Pretty much everybody with a disability has a psychosocial issue that needs to be addressed,” Ms. Carruthers said.

### New Survey Indicates Widespread Lack of Planning for Possibility of Income Limiting Disability

*Taken from PR Newswire, April 1, 2008.*

- According to a new survey from the Council of Disability Awareness, a majority of workers (56%) have never discussed with anyone how they would continue to pay for their living expenses if a disability kept them out of work for several months or longer.
- Yet large majorities (82%) are still concerned about how they would pay their normal living expenses if their income suddenly stopped because of an accident or illness.

- Seven in ten workers could cover their expenses for six months or less; a potential challenge to their financial security since the average long-term disability lasts two years.
- A recent AHIP survey found that half of boomers estimated that the chances of a U.S. worker missing three months of work or more because of an illness or injury is only about 10%. Actuaries say the actual risk is about 30%.
- Only 46% of boomers are very or somewhat concerned about the risk of becoming disabled.

## Study Finds Gap in Employee Understanding of Disability Insurance

*Taken from National Underwriter & Health, February 4, 2008.*

- While U.S. workers do not express strong interest in DI, they do worry about the financial impact if a wage earner in the household were not able to work.
- Only 21% of employees in the study felt their companies were addressing their financial concerns—despite the fact that over two-thirds of all employers offer STD or LTD insurance.
- Plan sponsors struggle to reduce benefit costs while offering competitive benefits.
- Employees believe communication, education and enrollment efforts do not meet their needs.

## Insuring Invincibility

*Taken from Employee Benefit News, March 1, 2008.*

- Three out of ten workers between the ages of 25 and 65 will experience an accident or illness that keeps them out of work for three months or longer.
- Employers with a large Gen X and Gen Y workforce should spend extra time during orientation and open enrollment explaining disability.

## Reaching the Graying Invincibles

*Taken from Underwriter, March 24, 2008.*

- Some boomers seem to have the same “it won’t happen to me” attitude about disability insurance that the young invincibles have about health insurance.
- Years ago, many Americans in their late 40s, 50s and early 60s had paid off their mortgages and pushed their youngest children firmly out the door. Today, many boomers in those age brackets are still working to pay off mortgage loans and even to handle elementary tuition bills.

## Blue-Ribbon Blueprint: Award Winners Offer Template for Improving Disability Management

*Taken from Employee Benefit News, March 1, 2009.*

- Integration, flexibility, creativity, efficiency and communication are among the keys to successful disability management, say leaders at the Certification of Disability Management Specialists Commission and the employers that won the organization’s 2008 leadership awards.
- When disability management is integrated with an employer’s “actual bottom line ... workings [and] goals of that company, that’s when it’ll work,” notes Maria Henderson, chair-elect of the Certification of Disability Management Specialists Commission. On average, 10% of a company’s employees go out on disability leave each year, and those employees account for over 50% of the company’s medical costs, she adds.
- It’s also important to be flexible when designing return-to-work programs and light-duty programs, experts say. It’s better for an employee to return to work in a part-time or light-duty capacity than to stay at home just because they’re not 100% recovered. For example, someone who’s unable to lift boxes might be able to handle paperwork or administrative duties that aren’t physically taxing. Or someone who can’t work eight consecutive hours perhaps could handle shorter shifts with resting periods.

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