

Facts from LIMRA

2014 Disability Insurance Awareness Month

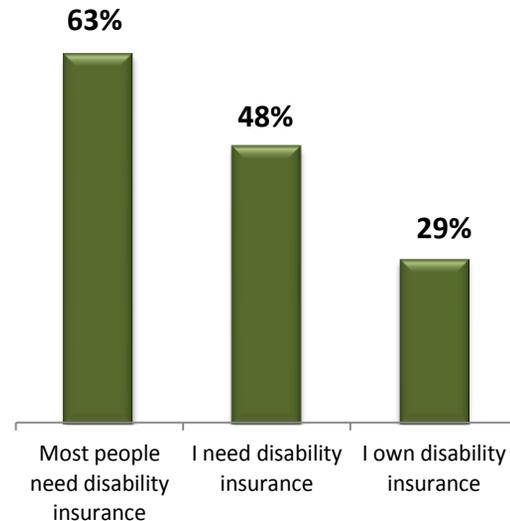
Consumers have a great deal of misunderstanding about disability insurance. Part of the education process is to dispel the myths and wrong information about disability insurance. LIMRA has collected some of the most recurrent falsehoods about disability insurance.

“Top 5 Myths about Disability Insurance”

Myth #1: Most disabilities are caused by catastrophic, one-time events, such as serious accidents or injuries.

Fact: Insurance statistics show that only nine percent of long-term disabilities actually resulted from serious accidents. The top causes of disability are often triggered by more common, chronic conditions, including one out of four caused by muscle and bone disorders like back problems, joint pain and muscle pain.

Less than one third of working Americans have disability insurance



Myth #2: Most disabilities are work-related and covered by workers' compensation benefits.

Fact: Nearly 90 percent of disabilities are not work related and therefore are not covered by workers' compensation. Also, illness, not accidents are responsible for most of the disabilities people suffer.

Myth #3: The chances of becoming disabled are slim, around one in one hundred chance.

Fact: The Social Security Administration estimates that one out of three Americans entering the workforce today will become disabled before they retire. While employees think the odds are small, a sudden interruption of income could have serious financial consequences.

Myth #4: Disability insurance isn't as important for women because men are more likely to become disabled.

Fact: The disability rate is increasing more rapidly for women than men. The percentage of covered female workers receiving SSDI payments in 2011 (5.6 percent) was 58 percent higher than 10 years earlier (3.6 percent in 2001), while the percentage of covered male workers receiving SSDI grew by 44 percent during the same period. Since more than 70 percent of American households rely on two incomes, it is important that **both** men and women protect their income with disability insurance.

Myth #5: Sick leave and vacation time can be used to cover expenses during a disability.

Fact: While sick leave and vacation time are certainly helpful, the benefits from them usually run out in a matter of weeks—at a time when the expenses are often increasing. In many cases, a disability can last for three months.

Advisors who dispel the myths and misunderstandings about disability insurance take an important first step toward helping their clients determine the right amount of coverage for their situation.

Information sources: LIMRA, Life Happens, Council for Disability Awareness (CDA), and Social Security Disability Insurance (SSDI)

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