



Disability Insurance: Helping your accounts protect their businesses

As a broker, you know your accounts have procedures in place to help employees with their workplace concerns, and that they often search for ways to help workers overcome personal challenges too.

Why not remind them that one of the most meaningful things they can do for employees is provide a robust benefits package? After all, 38 percent of workers surveyed as part of Aflac's 2013 WorkForces Report said employers signal they care about their employees' well-being by offering strong benefits. What's more, 44 percent of workers who don't believe their companies take care of employees told Aflac they are at least somewhat likely to leave their jobs in the next year, compared to 8 percent of those who at least somewhat agree their employers take care of employees.

With those thoughts in mind, now might be the right time to encourage your accounts to add disability insurance to their benefits portfolios. May is Disability Insurance Awareness Month and media coverage could bring thoughts of illness and injury – as well the costs that accompany them – to the forefront of workers' minds.

You may be wondering why an entire month is devoted to disability insurance awareness. Here are a few reasons:

- » The Social Security Administration estimates that slightly more than 25 percent of 20-year-olds will become disabled before reaching age 67.
- » A mere 31 percent of U.S. workers have some type of disability insurance, and half of those believe they need more coverage.²
- » Just 4 percent of workers surveyed by the Life Insurance Market Research Association said they'd been approached about disability insurance in their workplaces in the past two years.
- » Employer-provided disability insurance prevents as many as 575,000 families each year from slipping into poverty levels and saves the government and taxpayers up to \$4.5 billion annually.³

Physically disabled, financially enabled

What protection does disability insurance extend to workers? Consider this: Disability coverage protects employees' most valuable asset, the ability to earn a living. Without regular paychecks, many would find it difficult – if not impossible – to keep up with the mortgage, car and credit card payments; utility bills; education costs and grocery bills.

Insurers receive hundreds of letters each year from policyholders who've discovered just how quickly their financial outlook can change as a result of an accident or illness. Here's what Louise, who suffered a stroke and was told her healing process could take three to six months, had to say:

I was told I needed to eliminate all the stress I could and concentrate on therapy and healing. There are two reasons I was able to do this ... a full sick bank and my short-term disability policy. I sometimes thought, "I can't afford to have any more deductions taken from my check," but I have a completely different attitude now. Now I know I can't afford not to have them taken out!



I would have never believed I'd have a stroke, but being prepared for the unexpected made a tremendous difference to me and my family. It was the difference between making it and being financially devastated by this medical event.

Benefits for employees, benefits for your accounts

Workers are indeed fortunate to have caring employers who are willing to go the extra mile by adding disability insurance to their benefits portfolios. After all, Americans' track record when it comes to saving money isn't exactly stellar: Half of all households are "financially fragile."⁴

Your accounts may believe that the Social Security Administration will step in with financial assistance if an employee is sick or hurt, but it's important to note that more than 45 percent of those who apply for government benefits are denied payments. Workers' compensation isn't the answer, either: Off-the-job injuries are three times more common than on-the-job injuries, but they aren't covered by workers' compensation plans.⁵

The good news is that you can help your accounts protect their employees' financial security by offering either group or individual disability insurance, and it doesn't have to increase their benefits costs at all. By adding an employee-paid voluntary disability plan to their benefits portfolios, accounts can give workers the protection they need with no direct effect on their companies' bottom lines.

What's more, by doing the right thing for their employees, your accounts will also be doing the right thing their businesses: Workers surveyed as part of the 2013 Aflac WorkForces Report told us that a strong benefits package increases their company loyalty, productivity and job satisfaction – and also plays a major role when they're deciding whether to remain in their current jobs or move on to jobs with better benefits.

To learn more about how voluntary disability insurance coverage can benefit your accounts and their employees, go to aflac.com/business/short_term_disability_insurance.aspx.

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Sources

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