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Topics

- What is your family's need?
- What sources of protection do you already have?
 - Insurance from employment, etc.?
- · Where to locate more coverage.
- How to obtain more coverage.

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Determining Your Need

- Many people underestimate their risk of disability.
- Statistics:
 - 12% of the American population is disabled.
 - 50% of them are in their working years.
 - Average length of disability is 82 months.

http://www.disabilitycanhappen.org/chances_disability/disability_stats.as

Determining Your Need

- · Statistics (cont'd):
 - An average 35 year old, increases his or her chances of becoming disabled by 17-24% by being overweight or using tobacco products.
 - Approximately 95% of all disabilities are the result of illness – not injury or accident.
 - Less than 5% of disability accidents and illnesses are related to work.
 - Meaning Workers' Compensation will not cover them

Council for Disability Awareness,

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Determining Your Need

- · Statistics (cont'd):
- Most Americans (more than 50%) do not have emergency savings.
- 71% of Americans would suffer financial difficulty if their paycheck was delayed by one week.
- 65% of Americans do not have enough savings to supplement 1 year's income.
- 38% could not pay more than 3 months of bills.

Council for Disability Awareness, http://www.disabilitycanhappen.org/chances_disability/disability_stats.asp

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Determining Your Need

- · Statistics (cont'd):
 - 86% of surveyed workers agreed that people entering the workforce and still young (in 20s and 30s) should plan for the possibility of disability.
 - Only 46% have even discussed the option.

http://www.disabilitycanhappen.org/chances_disability/disability_stats.asp

Protection Sources

- Employer-Sponsored Insurance
- Worker's Compensation
- Social Security
- State Disability Insurance
- Individual Disability Insurance
- Self-Insurance

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Protection Sources

- Employer-Sponsored Insurance:
 - Short-term (generally 3 months) is not always transferable.
 - Long-term pays 40-60% of pre-disability income; may not be transferable.
 - Voluntary Disability Insurance:
 - Employee pays; easier qualification; transferrable.

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Protection Sources

- Workers' Compensation
 - State-mandated program.
 - Pays out up to 2/3 of pre-disability income for work-related injuries or illnesses only.

Most disability claims are not related to work injuries, so Workers' Comp will not help in those situations.

Protection Sources

- · Social Security:
 - It is difficult to qualify for social security.
 - Average payments rest at the poverty line, making it difficult to actually supplement missing income.

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Protection Sources

- State Disability Insurance:
 - Via payroll deduction, employees can arrange for up to six months of short-term disability assistance.

These programs are limited to only 5 states (California, New Jersey, New York, Rhode Island, and Hawaii) and Puerto Rico at the moment.

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Protection Sources

- Individual Disability Insurance:
 - Similar to Voluntary Disability Insurance:
 - Employee seeks out and pays for insurance.
 - Transferrable as long as premiums are paid.

Protection Sources

- · Self-Insurance:
 - Savings substitute for employer or private disability insurance.
 - Used to counter a lack of savings.

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Locating Coverage

- Most people have access to disability insurance through:
 - Employer or Company
 - Professional organizations (Credit Unions, etc.)
 - Private purchase.

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Obtaining Coverage

- The most important asset you own is not your house or automobile; it is your ability to earn money.
- Your future may be bleak if you are relegated to disability for months or years.
- Take the time now to research your options and commit to an action.

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This presentation on Disability Awareness has been brought to you by:
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