

## Don't Let These Myths Stop You From Getting the Proper Coverage

Figuring out if you need disability insurance is pretty easy. If you have a job, you need it. Why then do the majority of American workers lack this basic protection? Common misconceptions are largely to blame. Here we debunk four of the big myths surrounding this essential insurance coverage.

### 1 MYTH: "I'd rely on my savings until I could get back to work."

**REALITY:** Most people overestimate the resources they have to cover their expenses if a disabling illness or injury kept them from earning a paycheck. According to a Life Happens survey, half of working Americans say they couldn't make it a month before financial difficulties would set in, and almost one in four would have problems immediately.<sup>1</sup> Keep in mind that disabling illnesses or injuries often last for months or even years.

### 2 MYTH: "I don't need it—I don't work in a dangerous profession."

**REALITY:** You actually have a three in 10 chance of suffering a disabling illness or injury during your career that would keep you out of work for three months or more.<sup>2</sup> While it's true that people in professions like farming, law enforcement and construction face greater risks, the odds of suffering a long-term disability are high for all workers because illness—not accidents—account for 90 percent of disabilities that keep people out of work.<sup>3</sup>

### 3 MYTH: The government provides assistance when people get disabled.

**REALITY:** According to the National Safety Council, 73 percent of long-term disabilities are a result of an injury or illness that is not work-related and therefore wouldn't qualify for state-based Workers' Compensation programs. If you were hoping for Social Security disability benefits, know that about 45 percent of those who apply are initially denied, and those who are approved receive an average monthly benefit of around \$1,100, which would leave you with an income barely above the poverty line. Government programs are a good back-up plan, but shouldn't be your main line of defense.

### 4 MYTH: "I have disability coverage at work."

**REALITY:** Disability insurance through work is a great benefit, but you need to find out exactly what coverage you have. According to the U.S. Department of Labor, more than 70 percent of employers don't offer long-term disability coverage. And short-term or partial coverage wouldn't be enough to allow you to meet your current and future financial obligations if you were unable to work for an extended period of time.

1 The Disability Survey conducted by Kelton Research on behalf of Life Happens, April 2012

2 The Real Risk of Disability in the United States, Milliman Inc., on behalf of Life Happens, May 2007

3 Council for Disability Awareness, Long-Term Disability Claims Review, 2010

### How much disability insurance do I need?

Because each person's situation is unique, there's no set answer to that question. You can, however, get a good snapshot of your disability insurance needs by using a simple online tool, the Disability Insurance Needs Calculator, which is available through the nonprofit organization Life Happens at [www.lifehappens.org/disabilitycalculator](http://www.lifehappens.org/disabilitycalculator).