

Under Protected

In the Hartford survey, it was interesting that the number one reason the respondents felt that someone would lose their home was due to too much debt/credit card debt when in actuality, disability accounts for 48% of all home foreclosures and half of all bankruptcies due to illness and medical bills (back/spine problems and cancer are the two leading causes of long term disability.) The survey further revealed that while 85% reported having group medical coverage and 69% reported having group dental coverage, only 34% were covered by a long term disability plan. It is amazing that twice as many people have dental coverage than are covered by disability yet only 3% of those surveyed felt they had sufficient savings to carry them through a disability. Others felt they could make it through the loss of income by simply cutting back on luxury items, vacations, expensive purchases, etc. However, with a complete



Most of those surveyed had unrealistic expectations of who would provide an income to them during a disability: 27% felt that Unemployment Compensation and 23% felt Social Security would provide income replacement when in reality these programs each provide only 6% of the overall income replacement in our country. Even more shocking, many employees could not distinguish the difference between work and non-work related disabili-

The solution

The conclusion of the survey showed the reason so few people had taken steps to protect them and their families from the financial damages of disability were due to employee's incorrect assessments as to costs and benefits. Given proper education, over 75% of employees have enrolled on a Voluntary Long Term Disability plan when offered by their employer, not costing the employer a thing other than some time to set up a payroll deduction.

Oh, about the goose, it did not die but would only produce one egg each year leaving Jack and his mother the responsibility of working long hard days to subsidize the family income.

ANNOUNCEMENTS

Creditable Coverage Letters To Be Sent To Employees By January 1st.

Employers with group health benefits are required to send out letters of Creditable Coverage outlining their plan name and design to all employees enrolled on the group plan by January 1st 2007. You can click on the link below to find a template version of this letter. Simply edit the plan information to denote your specific medical plan, then disseminate this document to all of your participating employees. Remember to keep these annual documents for future reference for any employee leaving the group plan and joining a Medicare plan.

[CMS Guidelines and Template](#)



income loss, the stark reality of being unable to pay even for basic food, shelter and clothing will hit rather quickly.

Misunderstood

In addition to employees not understanding the cause and severity of a long term disability, most cited they could not afford it. When asked to estimate the annual cost of disability insurance, the average guess was \$1,000.00. Their guess was off by over 500%. The average cost for a group LTD policy is \$180.00 per employee per year, less than 50¢ per day.

ties and felt that Workers Compensation would cover a portion of their income if they became disabled in an accident while vacationing. It is unbelievable that we spend over \$1,200.00 each year for a dental insurance policy that covers each family member for maximum benefit of \$1,000.00 while a \$180/year investment in long term disability will return 60% or more of our income which could total hundreds of thousands of dollars over numerous years of incapacitation.