

Disability Insurance Views

OCTOBER 13, 2011

By Allison Bell



(AP Photo/Charles Dharapak)

The recession has driven home the idea that a paycheck really is the typical worker's most valuable asset.

The Council for Disability Awareness (CDA), Portland, Maine -- a group that tries to remind people that they ought to protect their incomes -- warns in its latest awareness report that the number of workers with group long-term disability (LTD) coverage fell 0.8% in 2010.

The number fell because the number of workers with paychecks fell.

Employers and workers would be wise to consider trying to use voluntary LTD programs to fill in the gaps created by the weak economy, the CDA says.

Newspapers and court files are full of the stories of people who had trouble collecting on individual or LTD claims.

But, despite those stories, disability insurers did pay out more than \$8 billion in desperately needed benefits last year to a total of 587,000 claimants.

At CDA member insurers, the number of new LTD claims approved increased 2.6% in 2010, to 139,000.

Early in the recession, the number of LTD claims held steady. The experts weren't sure why.

Now, for whatever reason, claim incidence is increasing, in part because everyone -- and especially people with serious disabilities -- is having a harder time returning to work, the CDA says.

About 90% of the new LTD claims were caused by illnesses, and fewer than 5% were job-related.

Employer wellness programs eventually could turn the tide, by encouraging employees to take better care of themselves, but increasing workloads and stress levels could make the numbers go in another, scarier direction.

About the Author

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Allison Bell has a bachelor's degree in economics from Washington University in St. Louis and a master's degree in journalism from the Medill School of Journalism at Northwestern University. Before she came to Summit Business Media, she covered defense contractors and the birth of the Internet for Mass High Tech; agriculture, small business and crooks for the Press Journal of Vero Beach, Fla.; and banking for the Business Journal of Charlotte.

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