

Disability Insurance Works When You Can't

From [Unum](#)

A lot of Americans are out of work right now — and not just because of the coronavirus pandemic. Tens of millions are sidelined every year by an accident, illness or injury that causes a disability.

It's more common than you might think. More than one in four of today's 20-year-olds will suffer a disability that keeps them out of work for at least a year before they retire, according to the [Council for Disability Awareness](#).



That's a long time to go without a paycheck. In fact, new research by Unum* shows nearly two-thirds of workers could cover their bills for only three months or less with existing savings if they lost their primary income. Once the savings account is empty, workers say they'd turn to family or friends (37%), dip into retirement savings (36%) or crank up their credit card (35%) — all short-term solutions at best, with potentially serious long-term implications.

Disability insurance can help provide financial protection against this scenario. Disability insurance replaces a portion of your income if you're sick or hurt and unable to work. It can be offered as short-term coverage — typically between three and six months — or long-term coverage that can last several years or until retirement. It can cover accidents on the job, off the job, or both.

Employees overwhelmingly want the ability to get this coverage, according to Unum's survey: 85% of workers think employers should offer disability insurance. But only about half of employees say their company offers it, and just more than a third are enrolled in coverage. Baby Boomers are especially unlikely to have disability insurance: 73% say they don't or they're not sure if they do.

The most common reason workers give for not having coverage is they're healthy and don't need it. A third of employees overall have that impression, and the number is even higher for younger generations: 42% of Millennials and 52% of Gen Z. That's despite statistics showing the frequency of disabling injuries and illnesses, even for the youngest workers. Unum's survey showed two-thirds of workers who filed a disability claim didn't think they'd ever use their coverage.

The next most common reason for not having coverage is cost: 29% of employees overall and 39% of Baby Boomers say they can't afford it. The most affordable way to get disability insurance is at work. Some employers pay for this type of coverage as an employee benefit, some share the cost with you, and some offer it as an optional benefit you can select and pay for if you want it.

Disability coverage through the workplace is much less expensive than buying a private policy, and it's often the only way to qualify for coverage as part of a group. These premiums tend to be affordable, and often can be paid through convenient payroll deduction.

Employees who do have disability coverage say they value the financial protection for themselves and their families (45%) or are worried about getting sick or injured (26%).

If you're concerned about taking care of yourself or your family if you can't work, now is a good time to check with your employer about affordable options for disability protection.

** Online survey of 1,000 employed consumers by DYNATA on behalf of Unum, April 1–6, 2020.*
