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Americans Ignoring Income Protection of Disability Insurance

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New survey highlights need for consumers to understand risks of ignoring disability insurance during tough economic times

KANSAS CITY, Mo., April 27 /PRNewswire/ -- Most American workers are not covered by disability insurance, yet according to the results of a national survey released by Assurant Employee Benefits today, nearly half (47 percent) are confident they would have adequate insurance should they suffer a disabling injury or illness, even if facing a negative job change. Assurant Employee Benefits commissioned the survey in late March to better understand consumers' concerns about losing dental, life and/or disability insurance coverage due to a job change or loss.

Additional survey findings suggest that while not likely to drop or reduce insurance options as a cost-saving measure, Americans aren't as concerned about losing insurance benefits (7 percent) as they are about more immediate matters, like paying the rent or mortgage (51 percent).

"The thought of losing a steady paycheck is scary. It makes sense that people immediately worry about how they'll continue to cover expenses and care for their families," said John Roberts, president and CEO of Assurant Employee Benefits. "Unfortunately, forgoing or letting go of disability insurance could take the situation from bad to devastating. One-third of all Americans between the ages 35 and 65 will become disabled for more than 90 days, and without insurance they may risk bankruptcy, foreclosure and other serious financial damage."

The survey also showed that consumers are more concerned about unforeseen medical emergencies or accidents (25 percent) than losing their disability insurance (7 percent). According to the Council for Disability Awareness, unexpected illnesses and injuries cause 350,000 personal bankruptcies each year and nearly half of all mortgage foreclosures. And while many people think disabilities are typically caused by freak accidents, the majority of long-term absences are due to back injuries and illnesses, such as cancer and heart disease.

"The fact that consumers are concerned about the financial impact of major medical issues or accidents is precisely why disability insurance is so important, especially now. You can't necessarily protect yourself from losing your job, but you can protect your income in the face of illness or injury. During these uncertain times, this is a small price to pay for financial security," said Roberts.

Disability insurance protects against financial disaster by replacing a portion of the insured's income if he/she becomes hurt or seriously ill and is no longer able to work. A typical group plan offered by an employer will replace up to 60 percent of the insured's salary. Supplemental plans and individual policies will often cover up to 70 percent or 80 percent.

However, not all plans are the same. An important feature of Assurant Employee Benefits' group disability plan is qualifying for benefits if you are unable to perform the material duties of your job or have a loss in income. Many competitor plans make you satisfy both criteria to qualify for coverage.

Buyers should be aware that one small word can make all the difference in disability contracts.

The Caravan(R) survey was conducted by Opinion Research Corporation on behalf of Assurant Employee Benefits. The survey was conducted between March 27-30, 2009, and is based on telephone interviews with a national probability sample of 1,001 adults (18 years and over). The sample was comprised of 500 men and 501 women living in the continental United States. The margin of error for this study is plus or minus 3 percent, at a 95 percent confidence level.

About Assurant Employee Benefits

Assurant Employee Benefits specializes in quality employee benefits and services, including long-term and short-term disability, life and accidental death and dismemberment insurance, dental coverage, and disability reinsurance management services. Assurant Employee Benefits also offers voluntary (employee-paid) disability, life and dental plans.

Products and services marketed by Assurant Employee Benefits are underwritten or provided by Union Security Insurance Company or an affiliated prepaid dental company. In New York, insurance products are underwritten by Union Security Life Insurance Company of New York, which is licensed in NY and has its principal place of business in Syracuse, NY. Plans contain limitations and exclusions. Underwriting flexibility allows Assurant Employee Benefits to market tailor-made benefit plans for groups of most any size. Assurant Employee Benefits is located in Kansas City, Mo.
<http://www.assurantemployeebenefits.com>

Assurant Employee Benefits is part of Assurant, which offers specialized insurance products and related services in North America and selected international markets. Its four key businesses -- Assurant Solutions, Assurant Specialty Property, Assurant Health and Assurant Employee Benefits -- have partnered with clients who are leaders in their industries and have built leadership positions in a number of specialty market segments worldwide.

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