



**Short-term disability: Protection when minor injuries become major problems**  
*By Stephanie Shields, vice president of Product Innovation and Marketing at Aflac*

Whether it is paying the mortgage or simply buying groceries, the ability to earn a paycheck helps employees take care of their day-to-day responsibilities. For many, it is their most important asset. Suffering a disabling injury can threaten an employee's ability to earn a paycheck – significant financial stress to their treatment and recovery process. Here are some things to highlight when discussing voluntary short-term disability insurance with your clients:

**Unveil the *ability* in disability**

Short-term disability insurance gives workers the ability to protect their lifestyle when disabling injuries occur. In the event of a physician-documented disability, employees receive benefits that can be used to help pay for whatever they deem necessary. This may include food, housing or any usual expenses, which are things an employee might otherwise have to cut back on or pay for with savings if they are unable to earn a paycheck.

With short-term disability insurance, employees can focus on what's truly important, which is recovering as quickly as possible so they can get back to work. By offering short-term disability, employers provide an option that gives employees one less thing to worry about as they focus on their recovery because they'll have access to help when faced with out-of-pocket costs associated with a serious accident or illness – costs major medical was never intended to cover.

**Reveal the risk of disability**

Many people, especially those in their earlier years of life, make the mistake of thinking they are invincible and that becoming disabled would never happen to them. Brokers can leverage their expertise to inform employers and their employees of the probable risk of disability. For instance, a quarter of today's 20-year-olds will become disabled before they retire.<sup>1</sup> Contrary to popular belief, it's important for clients to make sure their employees understand that short-term disability coverage is appropriate for all working-age adults to prepare them for possible hardships they may face.

The need for disability insurance protection is especially crucial among primary wage-earners. Since disabling injuries or illnesses often lead to significant medical bills, anyone who works – whether they are single, married, with or without children – should consider disability coverage. The 2016 Aflac WorkForces Report claims that more than half of today's workforce may face a financial crisis if illness, injury or disability should strike. The report also found that:

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<sup>1</sup> Council for Disability Awareness. Chances of Disability, [http://disabilitycanhappen.org/chances\\_disability/](http://disabilitycanhappen.org/chances_disability/), accessed Sept. 7, 2016

- Nearly 3 in 5 employees say they would not be able to adjust to the financial costs associated with a serious injury or illness; and
- 65 percent of employees have less than \$1,000 to pay out-of-pocket costs associated with an unexpected illness or accident.<sup>2</sup>

When disabling health issues occur, short-term disability can offer a helping hand for those who may not be financially prepared to cover the medical and nonmedical costs they'll incur during recovery.

### **Educate employers on the need for disability coverage**

Due to the rising costs of health insurance, many employers have limited the amount of health coverage they provide their employees. Employees should be aware that many disabling injuries occur outside the workplace and are not covered under workers' compensation. Without coverage from an employer or worker's compensation, injuries, both big and small, can wreak havoc on the financial stability of employees. The very twist of a knee could leave vital employees stuck at home, unable to work and incapable of earning an income as various bills continue to pour in.

Collecting Social Security from the government, an alternative coverage option for employees, may seem like a safe plan, but applying for such support can be a drawn-out, complicated process that may even end unsuccessfully. In 2015, only 32 percent of 2.4 million applicants received assistance from social security. Those who did collect funds received, on average, less than \$1,200 per month.<sup>3</sup> Instead of allowing employees to hope for a Social Security check, employers can show them they care about their prosperity today and tomorrow by providing disability insurance.

### **Show the benefit of offering the benefits**

It is important for employers to see that employees will not be the only beneficiaries of a broadened benefits package. The 2015 Aflac WorkForces Report showed that companies offering voluntary disability insurance experienced a 36 percent decline in workers' compensation claims, and 39 percent of those companies noted declines of 50 percent or more.<sup>4</sup> This means that making voluntary disability plans available may actually help save your clients money in the long run.

To further stretch their dollars and to create a more robust benefits portfolio, your clients can expand their benefits package to include a variety of voluntary benefits. These supplemental products provide affordable coverage options at little to no cost to your clients, all while helping increase employee satisfaction and productivity. In fact, 96 percent of employees who are satisfied with their benefits are more likely to be satisfied with their jobs, while employees who are unsatisfied with their benefits are 10 percent more likely to get distracted at work by personal issues.<sup>2</sup> Offering a more extensive benefits package can yield positive results for both employees and employers.

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<sup>2</sup> Aflac. 2016 Aflac WorkForces Report: Employee Overview. [https://www.aflac.com/docs/awr/pdf/2016-overview/2016.awr\\_employee\\_findings\\_ebook.pc.pdf](https://www.aflac.com/docs/awr/pdf/2016-overview/2016.awr_employee_findings_ebook.pc.pdf) - accessed on Sept. 12, 2016

<sup>3</sup> Social Security Administration. Graphs of Disabled Worker Data. <https://www.ssa.gov/oact/STATS/dibStat.html>, accessed Sept. 8, 2016

<sup>4</sup> Aflac. How Voluntary Insurance Can Reduce Workers' Compensation. <https://www.youtube.com/watch?v=avpZjrX1VJw>

**Bottom line**

As a broker, you know that short-term disability coverage can play an important role in financial planning. Disabling injuries may not only lead to significant medical bills, they may also keep employees from going to work and earning their paycheck. Help clients see the importance of showing their employees how these situations prohibit their ability to maintain their lifestyle – sometimes causing them to lose savings, retirement funds and, in extreme cases, even their homes. Encourage your clients to offer short-term disability coverage, among other voluntary benefits, to help provide protection when they need it most.