

Facts from LIMRA

2019 Disability Insurance Awareness Month

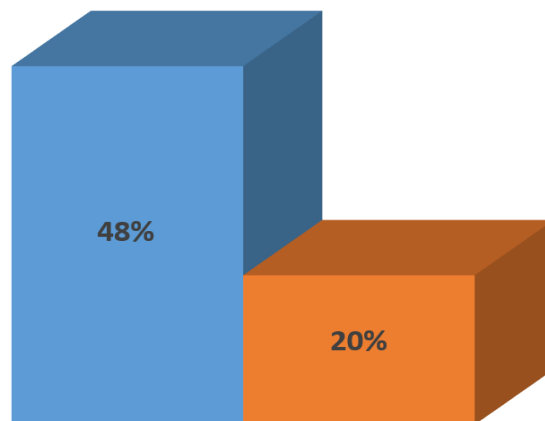
Did You Know...

Paying for basic living expenses if one becomes disabled is one of the top five financial concerns consumers have, but 8 in 10 consumers don't actually own disability insurance.

Disability Insurance Awareness Month presents an opportunity to share the most current knowledge about disability insurance with advisors and consumers. Below are some compelling facts and research about consumer perceptions and ownership of disability insurance.

Fact: Nearly half (48%) of consumers feel they need disability insurance. Indecision and lack of knowledge are cited as the top reasons why consumers don't buy the coverage they believe they need. Additional LIMRA research finds just 1 in 25 consumers demonstrate a high level of knowledge about disability insurance. Even among those who have the coverage, only two-thirds can identify the type of protection disability insurance provides.

Consumers have a gap between perceived need and actual ownership of disability insurance



■ I need disability insurance ■ I own disability insurance

Source: 2019 Insurance Barometer Study, LIMRA and Life Happens

Fact: Only 1 in 5 consumers have disability insurance, a decline from 2012 when ownership was at 31%. According to the Council for Disability Awareness, the average 20-year-old worker has more than a 25% chance of becoming disabled before they retire. LIMRA finds most workers underestimate this risk with half of employees (49%) predicting their own risk of disability at just 10% or less.

Fact: According to the Social Security Administration, nearly equal numbers of men and women collect Social Security disability insurance. However when it comes to purchasing personal disability insurance, the 2019 Insurance Barometer Study finds more men than women own disability insurance (25% vs. 15%). Disability insurance is important to anyone who works regardless of gender.

Disability Insurance Ownership by Gender

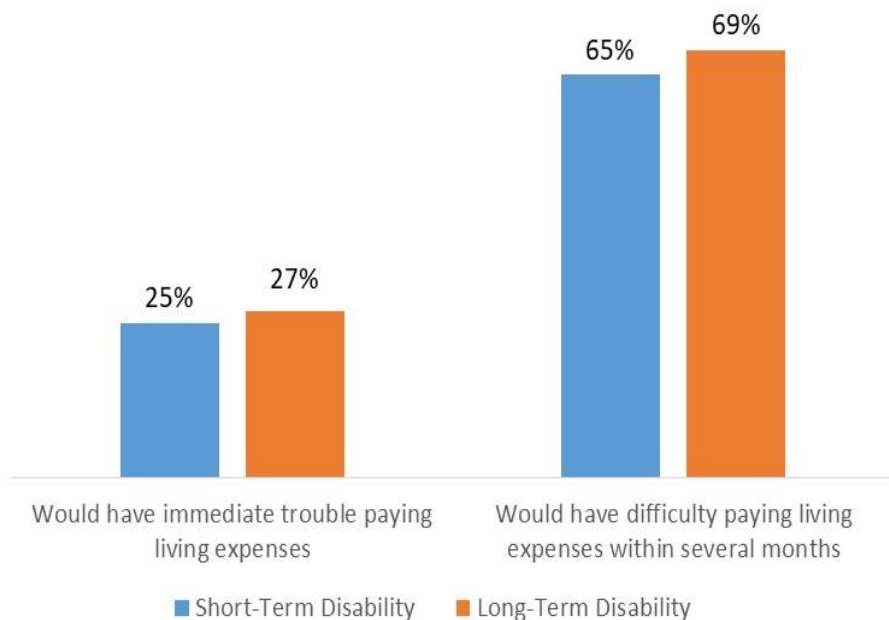


Source: 2019 Insurance Barometer Study, LIMRA and Life Happens

Fact: One of the most common causes of short-term disability is maternity leave. According to the Council for Disability Awareness, pregnancy is the number one reason why people file short-term disability claims and complications from pregnancy is the third most common cause of long-term disability claims. However LIMRA research finds that only 43% of employees who are offered short-term disability at work recognize that this benefit includes leave after childbirth, even though this is a popular and widely used feature of the coverage.

Fact: Almost 6 in 10 workers who opt out of disability insurance claim they don't need the coverage or that it isn't worth the cost. But more than a quarter of employees underestimate the chance of becoming disabled before retirement. Seventy-five percent of employees say they would have trouble paying for basic living expenses after several months if they became disabled and were unable to work – one third of employees say they would have immediate trouble.

Percent of employees who “don’t need” short-term or long-term disability but would have difficulty paying their basic living expenses after being disabled



Source: *Don't Look Down: Employees' Understanding of Benefits and Risk*, LIMRA (2018)

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