

What To Tell Employees About Voluntary DI Protection

BY BLAISE DIFEDELE

IT GOES WITHOUT SAYING that employees who have been hit with increasing financial responsibility for their benefits packages aren't very happy about these increased costs. But the skyrocketing cost of health benefits certainly isn't news to most employees. They know that their companies are struggling with these costs and most simply want their employers to lay out the facts for them.

Voluntary disability income protection is one of those products that can be extremely popular when employees understand the facts. We advise our independent brokers and the human resources departments to which they sell to communicate to employees these 8 reasons to consider voluntary disability income protection:

- ➊ **Disability is more common** than you think. The likelihood of suffering a serious disability between the ages of 35 and 65 is one in three, according to the American Council of Life Insurers.
- ➋ **Disabilities aren't just the result** of accidental injury. Common chronic health conditions such as back disorders, heart disease and arthritis can limit your ability to work.
- ➌ **As you get older**, your chances of having a work disability increase. If you are 45, your chances of having a work disability are 3 times as high as someone in their early 20s. By the time you are in the 55 to 64 age group, you have a 23% chance of having a disability that affects your ability to work. (See Chartbook on Work and Disability in the United States, 1998, U.S. Department of Education.)
- ➍ **Disability insurance covers you** when workers' compensation doesn't. It provides

income when you are disabled due to a covered sickness or injury. Partial disabilities can be covered, too.

- ➎ **Your employer makes it possible** for you to purchase this coverage at affordable group rates.
- ➏ **You pay for your coverage** through easy payroll deductions.
- ➐ **You cannot be turned down** for this insurance, as long as you are eligible.
- ➑ **You don't have to become** totally disabled to receive benefits.

Companies that are considering adding voluntary benefits often are concerned about how employees will perceive these benefits: Will employees see them as one more attempt to remove discretionary income from their paycheck?

Offering employers disability coverage enables them to enhance their voluntary benefits in any economic climate. It gives employers a way to provide a better package of benefits while allowing employees to choose a benefit that offers them the income protection they want. ■

Integrated Disability Coverage: Seamless and Successful

One approach that has been successful is a product that integrates both short- and long-term disability coverage. This is a combination plan that pays weekly benefits for the initial short-term period of the contract and switches to a monthly benefit payment for long-term disabilities.

Such a plan is a way for employers to better manage the costs of different types of disability through an integrated approach to disability management rather than 2 processes governed by 2 carriers. Thus, the employer benefits both operationally and financially.

This type of plan appeals to employees because they can get access to professional medical assistance programs quickly, helping them to resume a more productive life faster and easier. If an employee's disability goes longer term, the seamless transfer means he suffers no interruption of benefits.

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