

Disability Insurance Coverage Facts.

THE CAUSES OF DISABILITY AND EFFECT ON ONE'S FINANCIAL STATUS MAY BE SURPRISING.

51 MILLION AMERICANS

lack sufficient disability insurance coverage,¹

AND ONLY

14% OF AMERICANS

own some form of disability coverage² so it's important to understand the facts and your options for income protection.

THE MOST COMMON REASONS FOR LONG-TERM DISABILITY CLAIMS³ ARE:

Musculoskeletal disorders

29%



Cancer

15%



Mental health issues, including depression and anxiety

9.1%



Injuries such as fractures, sprains, and strains of muscles and ligaments

9%

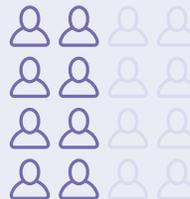


90% of claims are related to sickness, not accidents.⁴

THE IMPACT OF SICKNESS OR INJURY THAT CAUSES A PERIOD OF DISABILITY ON AN INDIVIDUAL'S FINANCIAL STATUS CAN BE SUBSTANTIAL:



In the 2020 LIMRA Insurance Barometer Study, **63% of Americans** said it would take **6 months or less** to feel the financial impact if a wage earner in their household became disabled.⁵



1/2 of the consumers

surveyed say they would tap into their personal savings in times of financial distress due to a disability.⁶

SOCIAL SECURITY DISABILITY INSURANCE (SSDI) MAY NOT PROVIDE SUFFICIENT INCOME PROTECTION:

● ● ● ● **1 in 4**

More than one in four of today's 20-year-olds can expect to be out of work for at least a year because of a disabling condition before they reach the normal retirement age.⁷

From 2009 to 2018, an average of

32%

of SSDI claimants had their applications approved.⁸

It generally takes

3-5 months

to receive an initial SSDI decision.⁹

While everyone's SSDI award depends on their income contributions, the average SSDI benefit was

\$1,154 a month, or

\$13,848 a year.¹⁰

KEY TAKEAWAYS:

- SSDI may not provide sufficient income replacement. If you qualify, SSDI may be insufficient to preserve your lifestyle.
- You may already have group disability insurance through your workplace, but it may not be enough to cover all your income needs, and may not cover bonuses or commissions.
- **Individual disability insurance:**
 - is portable and cannot be cancelled as long as you pay premium;
 - can be customized to fit your needs, including the ability to receive benefits even if you work part time;
 - can help to close the income replacement gap between group disability insurance and your income; and
 - can also help protect you from dipping into your savings and retirement income as well.

Your New York Life financial professional can discuss how individual disability insurance can help you protect your income.

¹ American Council of Life Insurers, unpublished data from study released in September 2017 as Assessing Americans' Financial and Retirement Security. ACLI found that 54.3% of non-retired households (51.3 million in total) did not report having disability insurance. Assuming there is at least one adult in each household, this means the number of "uncovered" adults is at least equal to the number of "uncovered" households.

² 2021 LIMRA Insurance Barometer Study

³ Integrated Benefits Institute, Health and productivity Benchmarking 2016 [released November 2017], Long-Term Disability, All Employers. Condition-specific results.

⁴ Sept 2020, Kiplinger (<https://www.kiplinger.com/article/insurance/t012-c032-s014-dont-underestimate-need-for-disability-insurance.html>)

⁵ 2020 LIMRA Insurance Barometer Study

⁶ 2020 LIMRA Insurance Barometer Study

⁷ Social Security Administration, 2021: <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>

⁸ Social Security Administration, 2019: https://www.ssa.gov/policy/docs/statcomps/di_asr/2019/di_asr19.pdf, page 155

⁹ Social Security Administration, 2021: <https://www.ssa.gov/disability/Documents/Factsheet-AD.pdf>

¹⁰ Social Security Administration, November 2021, https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/#table2.

The purpose of this material is solicitation of insurance. An insurance agent may contact you. Policy form ICC21-121 PLCY (0121) and 121-PLCY (0121) are issued by New York Life Insurance Company, New York, NY. State variations may apply. Premiums vary by issue age and premiums in the conditionally renewable period (after age 67 to age 75) may increase based on attained age rates. Policy issue is subject to underwriting. A medical exam may be required. The policies have exclusions and limitations. For cost and complete details of the coverage, contact your agent or the company.

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