

# BENEFITS INSIGHTS

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The CIMA Companies, Inc

## Group Disability Insurance

Lost productivity due to employees becoming disabled is an issue of great cost for employers. Economic, demographic and societal trends have led to an increasingly mobile, diverse and older workforce. In addition, increased stress in the workplace and the home are taking a toll on overall employee health, productivity and safety. The result is higher health care and disability costs that have a measurable impact on employers and the employee benefits packages that they offer. These trends and costs are expected to continue to interact with and influence the marketplace, so making appropriate benefit choices remains important for employers.

Studies show that working-age adults are more likely to suffer from lengthy disabilities in any given year than they are to die. Unless it is offered through their employer, most adults have little, if any, disability insurance coverage.

### What is group disability insurance?

Group disability insurance provides income protection for employees as well as cost-saving management strategies for employers. For employers, lost time on the job due to a disability can significantly impact workplace productivity and profitability. However, disability insurance provides partial replacement of lost income for employees while also covering overtime and costs of hiring replacements. Most employers offer salary continuation plans. Many states also mandate temporary disability insurance that requires employers to provide benefits equivalent those working in non-statutory states.

### Is group disability insurance really necessary?


Lost time and medical costs are on the rise, and the risk of disability is greater than most employers and employees realize. Consider these statistics:

- Over 36 million Americans are classified as disabled.
- Three in ten workers entering the workforce today will become disabled before retiring
- An illness or accident will keep one in five workers from working for at least a year sometime during his or her career

## Did You Know?

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- Americans have a 50 percent chance of becoming disabled for 90 days or more between the ages of 35 and 65
  - Disabilities affect one-fifth of Americans (over 60 million people).
  - A disabling injury occurs every eight seconds at work.

The possibility of becoming disabled very real for working Americans, and so are the financial consequences and costs associated with employee absence. The population is aging, which also translates to rising benefit utilization and cost. Beyond that, unscheduled absences disrupt workflow and increase cost, while human resource pressures are impacting the ability to dedicate adequate time and attention to situations where working time is lost.

Contact The CIMA Companies, Inc to discuss group disability insurance and determine if it is the right choice for your organization.

