

Planning, preparing and preventing disability

What you need to know to protect your future

Your most valuable asset isn't your home, your car or even your retirement savings — it's your ability to earn an income. A disability lasting three months or longer will strike roughly three in 10 workers. Many American families live paycheck to paycheck, and the majority couldn't afford to go one month, let alone two or three years, without the support of regular income.¹ The ability to earn an income is something to be valued and protected.

Are you prepared for a disability?

Most American workers recognize the importance of preparing for the possibility of a disability — almost 90% believe it is important to plan for a disability. However, only half of those workers have actually been proactive and taken action to prepare for a disability.² It's important to be aware of the risks; but, it is even more important to take action. Have you taken any steps to prepare for a disability? And, if so, have you done enough to protect yourself and your family?

Do the math: calculate your budget

A good first step is to look at your income and expenses, and then evaluate how they would be impacted by a period of disability. Be sure to look at what could change, and also what could stay the same. Travel expenses may decrease, for example, if you were no longer driving to work; but medical expenses would likely increase. Any mortgage or car payment, or food or electricity expenses would still need to be paid. It is especially important to be mindful of how you will pay for continuing health insurance at a time when you need quality medical care more than ever. Once you know all of your costs, you can determine a good budget. Knowing your budget is the first step to planning for the financial impact of a disability.

Consider additional sources of income

Once you better understand your family budget, take steps to consider what additional sources of income may be available at a time of disability. These could include:

▶ Disability insurance

This is the main source of disability income protection in the United States and is provided through employer or professional associations. You may also purchase individual coverage independently. However, there is a need to get informed. Less than one in three American workers have long-term disability insurance and even less feel they actually understand it.³

▶ Social Security and Workers' Compensation

If you are employed and become disabled, you may be able to count on Social Security or Workers' Compensation. However, take note that more than 60% of initial applications for Social Security Disability benefits are denied. And only 5% of disabling injuries actually take place at work.⁴

▶ State disability insurance programs

A small handful of states also offer a short-term solution — up to six months or a year of income protection — to residents who had been contributing a premium through a payroll deduction.

▶ Personal savings

Some individuals may have access to personal funds that had been set aside for long-term goals, but note that one-third of families have no available savings, and a period of disability could significantly deplete any savings and greatly affect long-term financial goals.⁵

Remember: While there are powerful sources of protection during a time of disability, there are limitations on the benefits available through the sources mentioned here. Also, any one source of income may not be sufficient to meet the needs of you and your family during a time of disability.

Ask about disability insurance

If you think you might need more protection or just want to learn more about what disability insurance offers you and your family, please ask your employer about disability insurance or consult with an insurance professional about your options for disability coverage.

What you can do to prevent disability

You may be asking, “Is there anything else I can do?” While it is important to be financially prepared in case of disability, it’s better to avoid the possibility in the first place. Maintaining a healthy lifestyle will reduce your chances of becoming disabled.

First of all, get informed. Our individual decisions are the main drivers of health and health care costs. In fact, personal health decisions drive 50% of our health status, yet, 46% of the time we make suboptimal decisions.⁶ Take the time to know your family history and learn about your own health.

Tips for staying healthy

Here are some additional tips to help you stay healthy. These tips are informational only, and are not a substitute for regular discussions with your doctor or other health care professional.

▶ See your doctor.

Many people only go to the doctor when they are sick, but seeing your doctor for regular checkups can help you stay healthy. Be proactive and make sure to get the preventive care you need, like an annual physical exam. Also, if certain conditions run in your family — such as heart disease, cancer or diabetes — tell your doctor and get the recommended screenings.

▶ Eat well.

To keep your body at a healthy weight, it’s important to eat plenty of high-fiber, nutrient-rich fruits and vegetables, and lean proteins. Avoiding foods high in saturated or trans fats is recommended. Talk to your doctor about what weight is right for you. Keeping your weight healthy is important for maintaining a healthy heart and good blood pressure, and reducing your risk for heart attack.

▶ Exercise regularly.

In addition to eating well, it’s important to stay physically active. The American Heart Association recommends that you exercise 30 to 60 minutes at least four times per week. Exercise has been shown to help prevent heart disease, cancer, high blood pressure and obesity.

▶ Keep healthy habits.

If you are a smoker, talk to your doctor about quitting. Smoking is associated with serious diseases like cancer, heart disease and stroke. If you are a drinker, keep in mind that while drinking in moderation may not be detrimental to your health, heavy drinking can cause liver damage or other health problems.

▶ Remember the basics.

There are many things you can do on a daily basis to protect yourself from injury. You can drive carefully, and wear a seatbelt. You can use safety equipment for work or play. Wear a helmet when riding a bike, for example. Also, prevent back injuries by stretching gently before exercising, and bending at the knees when lifting heavy objects.

▶ Don’t forget about your mental health.

Part of staying physically healthy is staying emotionally healthy. Developing social connections, engaging in fulfilling work and finding hobbies you enjoy may help you reduce stress. If you need help managing depression or anxiety, there are mental health professionals available to you.

If you would like to learn more about these topics or other health and wellness issues, please visit www.myOptumHealth.com for more information.

With proper planning and preventive action you can reduce the chances of disability and improve your odds. Take action to maintain and improve your health.

UnitedHealthcare
Insurance Company



References

1 http://www.disabilitycanhappen.org/news/CDA_LTD_Claims_Survey_2005.asp

2 CDA – Worker Disability Planning and Preparedness Study

3 Ibid.

4 www.LIFEhappens.org

5 http://www.disabilitycanhappen.org/chances_disability/disability_stats.asp

6 National Center for Disease Control and Prevention, 2006 and UnitedHealthcare Client Claims Analysis of 2 million claims, 2007.

UnitedHealthcare Life and Disability products are provided by UnitedHealthcare Insurance Company and Unimerica Insurance Company; Unimerica Life Insurance Company of New York (NYC); and in California, Unimerica Life Insurance Company.