

## **Disability Insurance NAIC Survey**

### **Survey Methodology:**

A consumer survey on various aspects of disability insurance was conducted by telephone with a nationally representative sample of 647 employed respondents from January 10-14, 2007. The margin of error was plus or minus 3.85 percentage points. The study was conducted using International Communications Research's (ICR) telephone omnibus survey of adults 18 and over.

### **Summary of Key Findings:**

- Roughly the same number of people indicated that they have either short-term or long-term disability insurance, (49% VS. 44%) respectively.
- Respondents who have short-term disability insurance tend to have an income of 25K or more, have obtained a college degree or higher and be married or divorced rather than single. Significantly more respondents under 35 or 54 or older do not have short-term disability insurance.
- Respondents who have long-term disability insurance are significantly more likely to have an income of 75K or above and have at least a college degree. Those 65 years or older and those with incomes <25K are significantly less likely to have long-term disability insurance.
- When asked how likely it would be to become disabled and unable to work, only thirteen percent (13%) felt that it was likely to happen to them. Significantly more females than males thought it was highly unlikely (63% VS 46%). As might be expected, younger respondents felt it was significantly less likely to happen to occur than those age 55 or older.
- Almost three quarters (73%) indicated that they could afford to pay bills and meet expenses if they were to become disabled and couldn't work for more than 30-days. This was significantly higher for males than females (78% VS. 66%). Of the remaining one quarter who felt they would not be able to meet their financial obligations significantly more were female, between 18-34, had lower incomes, were not married and had an education level of high school or less.
- Almost six in ten (56%) said they could not afford to pay their bills or meet expenses if they were to become disabled and couldn't work for a year or longer. This is true for younger respondents, those with lower incomes and those without a college degree. However, significantly more who are married thought they would be able to meet their financial obligations if they were to become disabled.

- Over eight in ten respondents (84%) who had short-term disability insurance said it was provided through their employer as part of their employee benefits package. About one in ten (15%) indicated that they had to purchase short-term insurance independently. Seven in ten (71%) who had long term-disability insurance said it was provided through their employer while almost three in ten (29%) said they purchased their long-term disability insurance independently.
- Most respondents who had either short- or long-term disability insurance felt they were familiar with the terms and benefits of their policy (79%). Respondents age 35-44 indicated that they were very familiar with their policy; significantly more so than those age 18-34, (43% VS 16%) respectively.