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America's Health Insurance Plans

Press Release

FOR IMMEDIATE RELEASE

May 22, 2008

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Many Baby Boomers Incorrectly Believe they Are Protected Against the Risk of Disability

[Harris Summary of Findings Memo](#) (.pdf - 22 KB)

[Baby Boomer Questionnaire](#) (.pdf - 36 KB)

Washington, DC – Many baby boomers incorrectly believe they have disability income protection, according to a new survey conducted by Harris Interactive® on behalf of America's Health Insurance Plans (AHIP). Most say that disability insurance is important to protect their income, but nearly half say they do not have any disability income protection.

"Baby boomers recognize the value disability insurance provides, but many mistakenly believe they are covered," said Karen Ignagni, President and CEO of AHIP.

The survey assessed baby boomers' perceptions about the need for disability income protection. Most baby boomers (56 percent) say that disability income insurance is important to protect their income should the primary wage earner in their household become disabled and unable to work for an extended period of time. Only nineteen percent said that disability insurance was not at all important.

However, nearly half of baby boomers acknowledge they do not have any form of disability income protection. According to the survey, only 52 percent of baby boomers say they have either short-term or long-term disability insurance.

Many baby boomers incorrectly believe they have disability income protection. The survey found that 44 percent of baby boomers say they have long-term disability insurance provided through their employer or purchased individually. In reality, only 30 percent of workers in private industry have long-term disability insurance coverage, according to the U.S. Department of Labor.

Specifically, twelve percent of baby boomers said they purchased long-term disability coverage on their own. Data show that there are just over three million active individual disability insurance policies, which accounts for only about 2 percent of U.S. workers.

"Many baby boomers have a false sense of financial security against the risk of disability," said Humphrey Taylor, Chairman of the Harris Poll.

Baby boomers were also asked what their primary source of financial assistance would be if they became disabled and were unable to work. A quarter (25 percent) said they would rely on

their personal savings. Others said they would rely on Social Security Disability Insurance (15 percent), private disability insurance (13 percent), or Workers' Compensation (13 percent). Previous surveys have found that baby boomers overestimate the coverage available through public disability programs and most are not financially prepared to weather even a short term disability.

In addition, almost half of baby boomers (47 percent) said they had a conversation about disability insurance in the past year. When asked about where they would most likely seek information about private disability income insurance, almost a quarter (24 percent) said an insurance agent, seventeen percent said their Human Resources representative, fifteen percent said the internet, and ten percent said a financial advisor.

This is the fourth in a series of surveys assessing baby boomers' awareness of and knowledge about disability income protection. More information about these surveys is available at www.YourIncomeAtRisk.org.

Harris Interactive conducted an online survey on behalf of AHIP between April 25-29 among a nationwide sample of 3,607 adults aged 18 and older, including 1,182 Baby Boomers aged 44 – 62. Data were weighted to be representative of the total U.S. adult population that is online on the basis of region, age within gender, education, household income and race/ethnicity, and for propensity to go online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

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