



Employer Responsibility or Social Insurance for Workers with Disabilities?

Winthrop Cashdollar
America's Health Insurance Plans

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Private Disability Insurance: A New Role for Employers and Insurers?

- What insights do private disability insurers have?
- What new issues would insurers face?
- Potential challenges
- Findings regarding current interactions of private disability insurance and public programs

A Sampling of Prominent Disability Reform Proposals

- Requiring/encouraging employers to provide private disability insurance integrated with SSDI in a way that is designed to decrease the burden on the program
- “Experience rating” the portion of the FICA tax that employers pay to support the SSDI program
- Programmatic reforms and structural changes to consolidate administration of support for individuals with disabilities at state or local level
- Demonstration projects to test several approaches to disability reform – and increased investment in SSA administrative capacity

Insights: Comprehensive Disability Management and Return-to-Work



Ray Topper
IT Systems Administrator
A Return-to-Work Success Story

What New Issues Would Insurers Face?: A Whole New Mindset.

Current Private Disability Insurance Coverage is Designed as a Complement to SSDI Coverage.

- SSDI benefits can be modest relative to pre-disability income.
- Though SSDI claimants are eligible to begin receiving benefits 5 months after disability onset, there is often a long delay before the claimant is awarded benefits.
- For these and other reasons, private disability income insurance can play a crucial role in helping disabled workers – and their families – to maintain a comfortable standard of living, by complementing SSDI coverage.

Potential Challenges

- Industry Capacity: Growing pains of tripling covered lives?
- Cost: Would fundamentally re-arranging the relationship of private disability insurance and the SSDI program result in higher cost coverage than preliminary estimates?
- Targeting of Rehabilitation and Return-to-Work Assistance: Is the proposal inclined to increase spending on return-to-work assistance that is not cost-effective?
- And the devil that lurks in the details . . .



Private Disability Insurance and Return-to-Work: Cost Savings to SSDI and Other Federal Programs

CRA Charles River
Associates

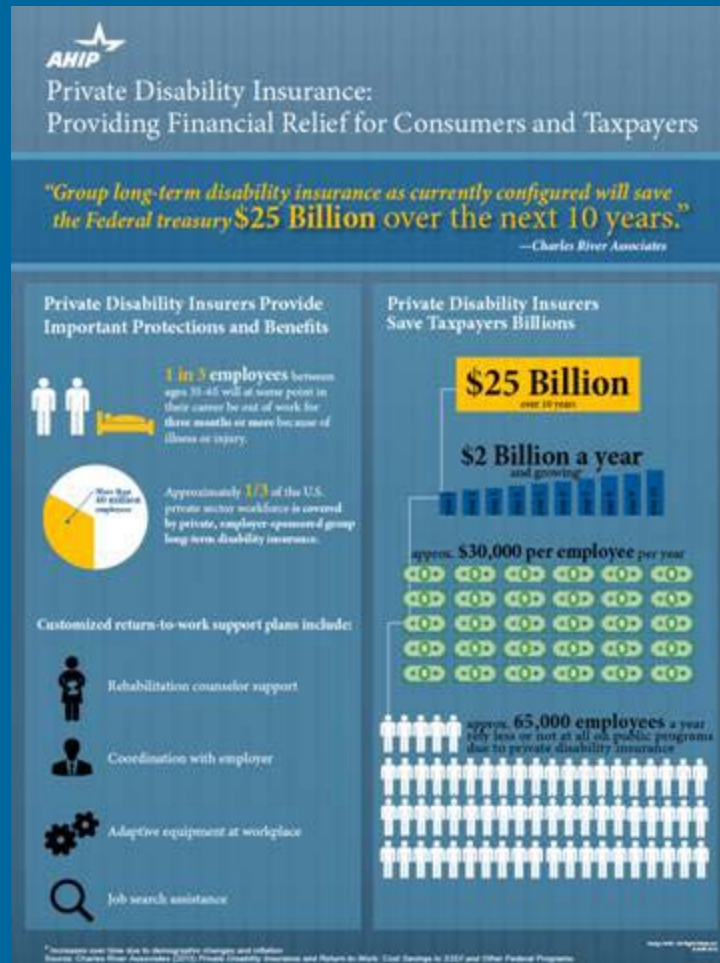
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Private Disability Insurance: Providing Financial Relief for Consumers and Taxpayers



Financial Security for Working Americans

Saving Taxpayers Money



Income protection provided by employer-sponsored disability insurance means that between

280k - 575k families

each year avoid impoverishment and, therefore, do not need public assistance programs.



On a very conservative basis, this translates into at least a

\$2.25 - \$4.5 BILLION SAVINGS PER YEAR

to the government and the taxpayer.

In 2009, only



of workers were covered by group long term disability insurance.

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