Gridiron Madness! Touchdowns, Tailgating and Disability Insurance for the Win

Believe it or not, another summer is drawing to a close. For some, the passage of time is marked by multi-hued autumn leaves and bright yellow school buses. For others, fall means just one thing … **It’s football season, people!** When it comes to this year’s college football season, two players dominate the sporting news. There’s Johnny Manziel, the Heisman-winning Texas A&M quarterback whose heroic “Johnny Football” image was smudged by post-season antics. And there’s Jadeveon Clowney, the University of South Carolina defensive end and near-consensus No. 1 NFL draft pick. Clowney’s known for The Hit, which has been viewed more than 4 million times on YouTube.¹

What do Clowney and Manziel have in common besides the fact that opposing teams develop entire game plans devoted to shutting them down? Well, there’s innate athletic ability, the adoration of fans and the prospect of earning millions when they turn pro. But Manziel and Clowney have another thing in common: Both purchased disability insurance during the off-season.

**Football players need disability coverage too**

Clowney — who saw his South Carolina teammate, top-tier running back Marcus Lattimore, suffer two potentially career-ending knee injuries — is protected by $5 million in coverage from the NCAA’s Exceptional Student-Athlete Disability Insurance Program. The program helps shelter athletes from earnings losses caused by disabling injuries or illnesses.

Manziel purchased a policy too. As he told ESPN.com, “I think there’s a lot of players who have done it in the past and you never know what could happen. Football is a dangerous sport, so you kind of have to make sure that you take precaution in that regard.”

Of course, most workers aren’t looking forward to earning millions courtesy of the NFL — last year’s top draft pick signed a four-year, $22.2 million contract and received a signing bonus of nearly $14 million — but they still need to protect their earning potential. Unlike professional athletes who make huge money every time they step onto the field and theoretically can afford to skip a few paychecks, the majority of U.S. workers would have trouble paying the bills if they were sick or hurt and could not work.

**Disability insurance is paycheck insurance**

Disability insurance is also known as “paycheck insurance” because it protects workers’ most valuable financial asset — the ability to earn a living. As a broker or employer, you’ve probably seen first-hand the devastation experienced by workers who aren’t covered by disability insurance. After all, according to a recent survey, just 31 percent of U.S. workers are covered by some type of disability policy, and those who do have policies think they need more coverage.²

The economic recession hurt businesses, and workers experienced wounds too — wounds that made their bank accounts and wallets bleed. The sources of those injuries? Reduced or canceled bonuses, frozen salaries and even the elimination of workplace perks such as free coffee and sodas, office celebrations, subscriptions to industry publications and other niceties that make office environments more pleasant.
One Clowney-sized hit suffered by workers was increases in health care costs — and, for some, those increases will continue as companies adjust to the new reality of health care reform. It's almost like a bizarre game of hot potato, with businesses cutting costs and passing them on to workers in the form of increased deductibles and co-payments, as well as reductions in coverage.

The game plan for smart employers and brokers

What's a worker to do? Employers and brokers know that financially strapped workers — and that's a lot of them, since 46 percent have less than $1,000 to pay out-of-pocket expenses stemming from a serious accident or illness and 25 percent have less than $500 — are increasingly turning to voluntary insurance to fill gaps in their major medical plans. In fact, 50 percent of workers say they would at least be somewhat likely to purchase voluntary coverage if their employers made it available.3

Caring employers are looking for ways to ease workers’ financial fears, and that means adding voluntary policies such as disability insurance to their health benefits portfolios. It's a touchdown move, given that employees with access to voluntary benefits score higher on multiple job-satisfaction indicators. For example, according to the 2013 Aflac WorkForces Report, they’re more likely to believe their companies are known as great places to work and that they take care of employees. They’re also more apt to recommend their workplaces to friends.3

There's another key reason employers should consider making voluntary plans available to their workers: Benefits have a major impact on employee retention and acquisition. The Aflac study revealed that 60 percent of employees with workplace access to voluntary benefits say they’re not likely to look for a new job in the next year, compared to 49 percent who don’t have access. What’s more, 61 percent said they’d be likely to accept a job with a more robust benefits package, even if it came with a slightly lower paycheck.

The bottom line? Smart employers and brokers are updating their game plans to give workers access to voluntary coverage. Because voluntary insurance premiums are employee-paid, companies can add them to their arsenals with no direct effect on their bottom lines. And while Clowney’s $5 million policy reportedly cost $30,000, Monday-morning quarterbacks won’t face that type of sticker-shock. They can choose the amount and type of coverage appropriate for their needs and incomes.

Sources
1 ESPN YouTube channel, Jadeveon Clowney’s Top Play: Hit vs. Michigan, accessed Aug. 16, 2011 - http://www.youtube.com/watch?v=gC44nP7CboM