



# CRA Announcement Insurance Economics

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## Expanding private disability insurance coverage to reduce the burden on the SSDI program

*CRA consultants author book chapter*

**David Babbel** and **Mark Meyer**, consultants in CRA's Insurance Economics Practice, have contributed a chapter to the McCrery-Pomeroy SSDI Solutions Initiative book, *SSDI Solutions: Ideas to Strengthen the Social Security Disability Insurance Program*. Their chapter, entitled "Expanding Disability Insurance Coverage to Help the SSDI Program," discusses extending private group disability income insurance protection to a greater proportion of working Americans by encouraging employers to adopt automatic enrollment or "opt-out" arrangements under employer-sponsored group disability plans.

Drs. Babbel and Meyer show that private disability insurance currently saves the federal government around \$2 billion per year in SSDI, Medicaid, Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF) expenditures. Increasing the number of employees with group disability coverage means more workers affected by a disability will benefit from the income protection and return-to-work features of group disability coverage, thereby reducing their need to enroll in SSDI. Expanding private disability coverage to an additional 10% of employees could save the SSDI program an additional \$300 million per year. The benefits of expanded group disability coverage can reduce the burden on the SSDI program at no cost to the federal budget.

The **McCrery-Pomeroy SSDI Solutions Initiative** is a project of the **Committee for a Responsible Federal Budget**. The Committee for a Responsible Federal Budget is a bipartisan, non-profit organization committed to educating the public about issues that have significant fiscal policy impact. The Committee is made up of some of the nation's leading budget experts including many past chairs and directors of the Budget Committees, the Congressional Budget Office, the Office of Management and Budget, the Government Accountability Office, and the Federal Reserve Board. The *SSDI Solutions* book is a collection of solutions, recommendations, and contextual chapters that illustrate the problems ailing the Social Security Disability Insurance program.

To read the chapter, click [here](#).

For more information about the book, click [here](#).

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