

Don't Let Long-Term Disability Jeopardize Your Financial Security



DAWN GRIFFITH

Debbie Snyder and her son, Corey Snyder, above, have been burdened by disability-related health care costs.

WRITTEN BY RYAN RIGGS

Long-term disabilities cause nearly 50 percent of all mortgage foreclosures in the country, according to a 2005 report. Perhaps you know someone who has experienced a long-term disability that resulted in financial catastrophe. I do. My friend Debbie Snyder, a Virginia Beach resident, suffers from a rare disease that has not only left her disabled for the rest of her life, but also financially devastated.

Snyder's symptoms began in October 2003, when she started feeling weak and lightheaded. In March 2004, she went to her physician, who suspected a case of multiple sclerosis (MS). While some tests results pointed to MS, the blood work, typically a reliable indicator of MS, came back negative. Confused and frustrated, Snyder sought answers from experts at several of the best medical institutions across the country in hopes of learning the reason for her declining health.

For two years, some of the best neurological physicians in the country could not reach a diagnosis. It was only in May 2006 that the National Institutes of Health finally diagnosed her correctly with cerebellar ataxia.

Cerebellar ataxia is a neurological disorder that involves the degeneration of the cerebellum, according to the Worldwide Education and Awareness for Movement Disorders group. The cerebellum is a large structure at the rear of the brain and is involved in coordination and movement. As a result of the disease's progression, Snyder has experienced a loss of sensation, coordination and balance.

Snyder had to stop working as a librarian at a local law firm in July 2006, and just four months later doctors surgically implanted a feeding tube into her throat because she could not swallow any liquids on her own.

The disorder has caused a rapid decline in Snyder's health over the past few years, preventing her from driving a vehicle, exercising and doing other activities. Her son, Corey Snyder, who is also

her caregiver, says of his mom before the disease: "She never stopped. She used to run five miles a day, five days a week. She was always involved in our school activities and sports, volunteering at every opportunity she could get." When asked if the disability has affected his mother financially, Corey Snyder responds: "The financial burden this disorder has placed on my mom has been one of the biggest problems."

For Debbie Snyder, the cost of treatments and

Consult these Web sites for more on disability insurance:

www.yourincomeatrisk.org

www.lifehappens.org

www.disabilitycanhappen.org

medications has been financially devastating. As she lost her ability to work, she lost her ability to earn a paycheck. Her employer did not offer any type of employer-sponsored long-term disability insurance that typically pays a monthly benefit when a person is disabled for three months or longer. Therefore, Snyder had to apply for Social Security disability; many applicants wait anywhere from six months to two years before receiving such benefits. The Social Security Administration states that disability benefits applicants will not receive payments until at least six months from their last day at work. Snyder was awarded benefits by the administration the first time she applied, and she received her first payment in January 2007. She's lucky—only 40 percent of Social Security disability claims are approved upon initial application, mainly because the administration is already paying 6.8 million Americans, according to the Council for Disability Awareness. The govern-

ment also has to make sure applicants are not faking a disability in order to receive benefits.

During the six months Snyder waited for her disability benefit to kick in, she survived on credit cards. To pay off her credit cards, though, she eventually had to dip into the modest retirement savings she'd accumulated in her 401(k). Living in a two-story home made matters worse—a point came when she could not climb the stairs anymore. Snyder's son, Corey, has learned that "transforming a home to be more handicapped-accessible can cost a lot of money." The family had to get a chair lift installed in the home so Debbie could get to her second-floor bedroom. The largest burden so far, however, has been the liquid vitamin medication that she is required to take through her feeding tube, which her health insurance will not cover. The monthly cost of the medication is 25 percent more than her entire monthly Social Security benefit.

Even though financial catastrophe often results in emotional catastrophe as well, the Snyders have remained positive. Corey Snyder says now that he wishes he had known how much a disabling disease could affect a family's overall long-term financial well-being. "If I would have known how important it is to have some sort of disability insurance, I would have encouraged my mother to get it years ago," he says. When asked what advice he would give to others to avoid similar financial hardships, he says: "Make sure you get some type of disability insurance, either through work or a personal policy, now—while you are still healthy—because you never know what tomorrow may bring." ■

Ryan Riggs is a financial representative for the Guardian Life Insurance Company in Virginia Beach. He provides disability income insurance options for businesses and individuals alike.