

Statement of Senator Chuck Grassley  
Hearing Before the Senate Committee on Finance  
Do Private Long-Term Disability Policies Provide the Protection They Promise?  
September 28, 2010

The loss of wages due to illness or injury can be devastating, both emotionally and financially. That is why Congress created the Social Security Disability Insurance and the Supplemental Security Income (SSI) programs.

In addition to these public programs, Congress has encouraged employers to provide additional protection to workers and their families through the Employee Retirement Income Security Act, known as ERISA.

Much of today's testimony focuses on the alleged failure of ERISA to protect workers from unscrupulous practices of private insurance companies. But I would caution my colleagues that legislative jurisdiction over ERISA resides in the HELP Committee, not the Finance Committee.

I agreed to this hearing based on the fact that private disability affects Social Security. Those with private insurance are often required to apply for Social Security which potentially adds to the backlog of pending applications. Moreover, changes in private disability could be viewed by some as a green light for similar changes in Social Security.

Any changes to ERISA must be carefully reviewed in terms of their impact on Social Security.

There are both differences and similarities between Social Security and private disability – ranging from the definition of disability to the standard of judicial review. Whether or not all of these parallels and distinctions are entirely justified remains to be seen.

Our goal should be to make the disability application process faster, fairer, and easier to understand. But given the looming insolvency of the Social Security disability trust fund in 2018, we must also be mindful of the need to protect this vital program for future generations.