Medcore Brokerage Warns of Texas Short-Term Disability Coverage Gap

Texas has no state short-term disability program, and most small-firm workers lack coverage. A McKinney brokerage says the fix costs less than owners think.

MCKINNEY, TX, UNITED STATES, July 23, 2026 /EINPresswire.com/ -- Most Texans who work for a small business are one surgery or injury away from an income of zero. Unlike California, New York, New Jersey, Rhode Island, and Hawaii, Texas operates no state short-term disability program — and only 31% of workers at private employers with fewer than 100 employees have access to short-term disability coverage through work, according to the U.S. Bureau of Labor Statistics (March 2025). Medcore Brokerage, a McKinney-based employee benefits brokerage serving employers across Texas, is urging small-business owners to close that gap ahead of the fall renewal season.

> The number that should stop every Texas business owner is zero — that is what the state pays a worker who is recovering from surgery and cannot do their job."
>
> *Trey Driver, Founder & President, Medcore Brokerage*

"The number that should stop every Texas business owner is zero — that is what the state pays a worker who is recovering from surgery and cannot do their job," said Trey Driver, Founder and President of Medcore Brokerage. "Owners assume something like state disability exists here because it exists in California or New York. It does not. In Texas, the safety net is whatever the employer puts in place."

The numbers behind the warning:
- Access to short-term disability coverage is 31% at private establishments with fewer than 100 workers, versus 68% at those with 500 or more, per the Bureau of Labor Statistics' March 2025 benefits survey.
- Colonial Life, one of the carriers whose plans Medcore administers, recommends protecting about 60% of after-tax income. In Medcore's experience quoting Texas employer groups, premiums typically run 1-3% of an employee's income.
- Small firms already pay an average of $9,211 per employee per year for single health coverage and $26,054 for family coverage, with family premiums up about 6% in the latest KFF Employer Health Benefits Survey — which makes short-term disability one of the least expensive lines on a benefits invoice.

- 28% of workers at small firms face family-coverage contributions of $12,000 or more per year (KFF, 2025), a burden that pushes many employers toward high-value, low-cost protections such as disability coverage.


Trey Driver, Founder & President of Medcore Brokerage

Medcore also pushed back on the idea that benefits are all-or-nothing. Many small employers offer no major medical plan at all — but that does not mean they are priced out of employee benefits entirely. Standalone protections can be offered without a major medical plan, and Medcore ranks short-term disability among the most important benefits a Texas employer can put in place.

Going without coverage can cost employers in less obvious ways, too. Research published in Economic Inquiry (Lakdawalla, Reville and Seabury, 2007) found that workers without health insurance are more likely to file workers' compensation claims than their insured coworkers — and added claims flow directly into an employer's experience modifier and future premiums.

"When your people have no coverage at all, an injury that happens anywhere has a way of turning into a workplace claim — and every claim raises your comp premiums," said Trey Driver. "A short-term disability plan gives an employee who gets hurt at home a legitimate place to turn. It protects the worker and it protects the employer's loss history at the same time."

To help owners evaluate their options, Medcore has published a plain-language guide to short-term disability in Texas — how coverage works, who qualifies, and how long benefits last — along with a companion resource on building employee benefits for small businesses in Texas on a small-business budget. The firm has also expanded its South Texas resources for employers comparing group health insurance in Corpus Christi, Brownsville, and Laredo, border-region markets where employers often see fewer carrier options than their metro counterparts.

One more warning sign for renewal season: "If your renewal shows up 30 days before the deadline with a rate increase and no alternatives, that is not a renewal — that is a ransom note," said Trey Driver. "The employers getting the best rates this year started shopping 90 to 120 days out, and they asked for disability quotes in the same pass. It is often the cheapest thing on the table."

About Medcore Brokerage: Medcore Brokerage is an independent employee benefits brokerage headquartered in McKinney, Texas, serving small and mid-sized employers from Dallas-Fort Worth to South Texas. Medcore designs and administers group health, dental, vision, disability, and voluntary benefits programs. Learn more at medcorebrokerage.com.

Trey Driver
Medcore Brokerage
+1 972-277-1049
email us here
