

An **Educational** Guide for Individuals



Disability
facts that may
surprise you

Insurance Strategies



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Disability Quick Facts

- Workers today are 3 times more likely to suffer a long-term disability than die during their working years.
- The average monthly Social Security Disability Income (SSDI) payment is \$938, replacing on average, about 33% of current income.
- 32% of individuals receiving long-term disability insurance benefits do not qualify for SSDI benefits; 95% are not eligible for workers compensation.
- Two-thirds of American families live paycheck to paycheck; 70% of families can only afford to be without a paycheck for one month or less.
- Disability is the leading cause of personal bankruptcies and causes nearly 50% of all mortgage foreclosures, compared to 2% by death.

Source: The Council of Disability Insurers, The Long Term Disability Claims Review: 2005

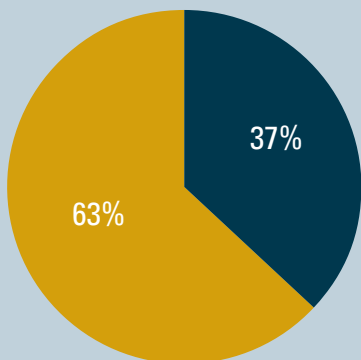


Partial vs. Total Disability

A non-severe (or partial) disability is defined as a condition that limits or prevents the amount or kind of work that a person can do; a severe disability (or total) disability is defined as a condition that prevents people from working altogether.

According to the Current Population Survey, using these definitions as a basis, severe work disabilities are by far the most prevalent of these two.

Severe vs. non-severe disability



Severe disability Non-severe disability

Source: U.S. Bureau of the Census, Table 198 Surveys: CPS, 1998

Causes of Disabilities

It is not uncommon for people to assume that most disabilities are the result of accidents. In reality, the majority of disabilities people suffer are due to various forms of illnesses.

Causes of disabilities

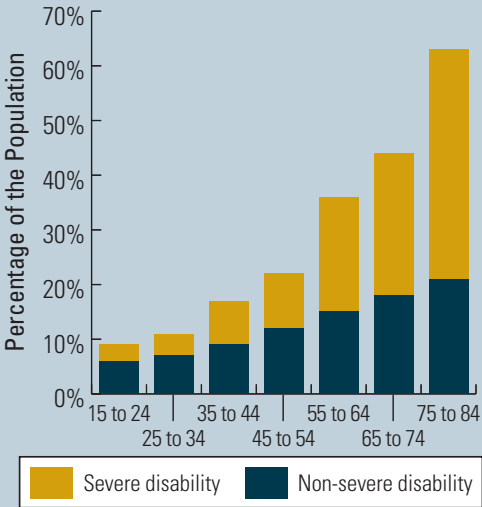
Diagnosis Category	Average % of New Claims Submitted	
	Long-Term Disability	Short-term Disability
Accidents	10.1%	14.4%
Illness Infectious/ Parasitic Diseases (excludes AIDS/HIV)	1.8%	2.4%
AIDS/HIV	0.3%	0.1%
Neoplasms	14.0%	5.5%
Mental Disorders	8.7%	4.6%
Substance Dependencies	0.3%	0.4%
Nervous System Diseases	6.9%	3.4%
Circulatory System Diseases	10.0%	5.7%
Respiratory System Diseases	2.9%	4.3%
Digestive System Diseases	2.9%	7.6%
Chronic Fatigue Syndrome	0.9%	0.5%
Fibromyalgia	1.2%	0.1%
Reproductive/ Urinary Diseases	2.4%	6.1%
Pregnancy (Complications)	4.0%	5.8%
Pregnancy (Normal)	4.8%	15.7%
Musculoskeletal System/ Connective Tissue Diseases	21.9%	15.0%
All Other	6.9%	8.4%
Total	100.0%	100.0%

Source: JHA 2002 U.S. Group Disability Rate and Risk Management Survey

Age and Disability

As you grow older, your chance of suffering from a disability increases significantly. Note below that the percentage of the population that is disabled dramatically increases at approximately age 55.

Age vs. severity of disability



Source: U.S. Census Bureau, Survey of Income and Program Participation, June-September 2002

Conclusion

These statistics show that over the course of a person's lifetime, it is not overly uncommon for one to become disabled. What may come as a surprise to many is a majority of the disabilities that people suffer are considered severe disabilities and will keep them from working completely.

As seen in an earlier graph, the onset of a disability is most frequent around the age of 55, but disabilities can occur at any time. Educating yourself on the basics of disabilities is a good place to start to help you reduce your own personal risk of becoming disabled.



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