
Disability Insurance Facts

1. Someone who is 35 years old has a 50 percent chance of disability for 90 days or more before they turn 65.
2. Most people in the U.S. are better prepared financially in case of death (usually with life insurance) than if they get disabled, even though the chances are at least three to five times greater (depending on age) that a disability will occur.
3. Upwards of 375,000 Americans become totally disabled every year.
4. Approximately one out of seven people who are between the ages 35-65 can expect to become disabled for five years or longer.
5. Almost 30 percent of the people who are between the ages 35 and 65 will experience a disability that lasts at least 90 days during their working careers.
6. About 110 million Americans do not have long term disability insurance.
7. About 8 million adults have some disability that limits or prevents them from working.
8. 46 percent of all foreclosures on conventional mortgages are brought about by a disability. Approximately 2 percent are caused by the death of the homeowner.
9. Benefits from an employer plan are taxable. Individual policies, purchased as an individual pay benefits free of income tax.
10. Most people, no matter their income, spend 65 percent to 75 percent of their cash flow. In thinking about this, this means a person should aim toward securing as much disability income insurance they can toward the goal of replacing such income.
11. If you put away 10 percent of your income each year, then simple arithmetic says that one year of being totally disabled could wipe out the 10 years of principal that you put into your savings.
12. How good is social security disability income? Anyone at any income level can apply for Social Security Disability Insurance but one requirement is that you have to have worked at least 10 years before becoming disabled.
13. The Social Security disability Insurance program pays \$722 per month on average. The requirements to receive disability benefits are so strict that only about 35 percent of the individuals that apply for benefits actually qualify and wind up receiving benefits.
14. The most common chronic conditions listed for limitation on working are back disorders (21 percent), followed by heart disease and arthritis.

Source: www.soundfinancialplan.com, from the MDRT