



The 2007 CDA Long-Term Disability Claims Review

The Council for Disability Awareness (CDA) conducts an annual review of long-term disability claims among the U.S. working population to determine continuing or emerging trends. The 2007 CDA Long-Term Disability Claims Review includes long-term disability insurance claims data from the annual CDA member long-term disability claims survey and selected worker disability data from the Social Security Disability Insurance (SSDI) program.

Summary of Findings

- *The growth of serious disabilities among the U.S. working population continues to be alarming. Over the last 10 years, the number of U.S. workers with long-term disabilities has grown four times the increase in the number of workers in the U.S. workforce. The number of individuals receiving long-term disability insurance payments also continues to increase.*
- *Working women and younger employees are more vulnerable to serious disability. The growth in the rate of serious disability for working women is twice the growth rate of disabilities among working men. More younger workers in their 20s, 30s and 40s are experiencing serious disabilities.*
- *Favorable trends in cancer, cardiovascular/circulatory and nervous system-related long-term claims may be the result of advances in medical technology. The growth of musculoskeletal, connective tissue, mental disorder and accident/injury-related claims may be related, in some degree, to certain lifestyle choices and personal behaviors.*
- *Social Security Disability Insurance approval rates declined to 37.6% in 2007, the lowest point in the history of the program, while applications for disability payments continued to increase, reaching 2.2 million. SSDI payments have not kept pace with the growing financial needs of disabled workers, putting the financial security of more workers and their dependents at greater risk.*
- *Financial planning in the event of an income-limiting disability is becoming more critical and urgent for wage earners as the accountability for personal financial security continues to shift away from social programs and employers toward the individual worker.*

CDA 2007 Long-Term Disability Insurance Claims Survey

Survey Highlights:

- **563,000** disabled individuals received long-term disability insurance payments from CDA member companies in 2007; this is a **4.3% increase** over the number of individuals receiving insurance payments in 2006.
- **\$7.7 billion** in long-term disability insurance claims was paid to disabled individuals by CDA member companies in 2007; this is a **7% increase** over total disability claim payments made in 2006.
- **144,200** individuals were approved by CDA companies for long-term disability insurance benefits in 2007.
- **\$2 billion**: this is the estimated total annual disability insurance payment for new claims approved in 2007.
- **95%** of reported disabilities are estimated to be *not work-related*.
- **33%** of individuals receiving long-term disability insurance *do not qualify for SSDI payments*.

Primary Causes of Long-Term Disability Insurance Claims in 2007

- **Musculoskeletal/connective tissue disorders** continue to rank as the leading cause of disability.
- **Cancer** remains the second leading cause of new claims but is the fourth leading cause of existing claims.
- **Cardiovascular/circulatory problems** continue to steadily decline as a cause of new and existing claims.
- **Nervous system-related claims** are trending down as a cause of existing claims, while **mental disorder claims** have been trending up.
- **Injuries/accidents and maternity-related** claims remain the fastest growing causes of new and existing claims.

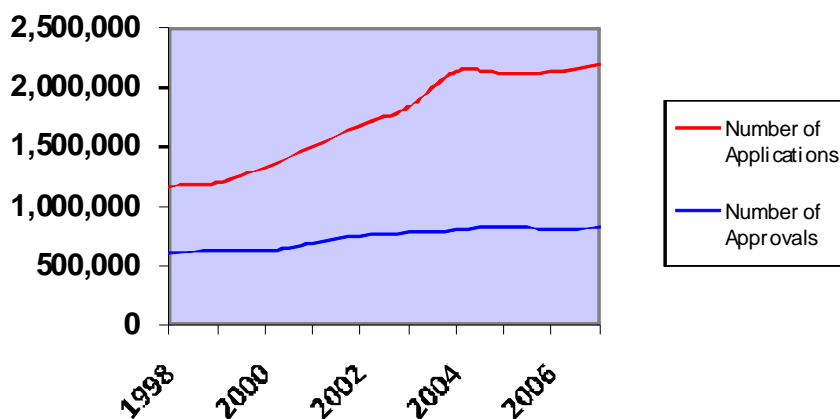
CDA 2007 Long-Term Disability Claims Survey				
<i>Claim Diagnosis/Category</i>	<i>% of new & existing LTD claims</i>			
	2006		2007	
	New	Existing	New	Existing
Musculoskeletal/Connective Tissue	22.7%	25.7%	22.6%	26.2%
Cancer	13.6%	8.2%	13.6%	8.5%
Cardiovascular/Circulatory	10.3%	13.8%	10.1%	12.9%
Nervous System-Related	5.7%	11.8%	5.8%	11.3%
Injuries & Accidents	7.8%	5.7%	8.1%	6.3%
Maternity-Related	7.9%	2.7%	9.4%	3.6%
Mental Disorder-Psychiatric	6.5%	6.6%	6.5%	6.7%
Other	25.6%	25.7%	24.1%	25.7%
Total LTD Claims:	129,220	493,472	140,585	539,046

SSDI Program 2007 Annual Statistical Supplement

Highlights

- **152 million** workers were covered for disability insurance under the SSDI program in 2007; this is a **13%** increase over the **134 million** workers covered a decade ago.
- **7.1 million** disabled workers received disability payments from SSDI in 2007; this is a **4.3%** increase over 2006 and **51%** more than the **4.7 million** disabled workers receiving payments in 1998.
- **1.8 million** disabled workers' spouses and children also received SSDI payments in 2007.
- **2.2 million** workers applied for SSDI payments in 2007; this is a **2.6%** more than in 2006 and **87%** more than the number of workers applying for disability payments 10 years ago.
- **818,500** disabled workers were approved for SSDI payments in 2007; this is a **1.9%** increase over 2006 and **35%** more than the **608,100** workers approved in 1998.

Social Security Disability Insurance Applications and Approvals: 1998 - 2007



- **37.6%** of workers applying for SSDI disability payments in 2007 were approved; 10 years ago the approval rate for workers applying for disability was **52%**.



- **\$91.3 billion** was paid by SSDI to all disabled workers in 2007; this is more than twice the **\$43.5 billion** of disability payments paid in 1998.
- **70%**: this is the increase in the number of disabled female workers receiving SSDI payments over the past decade, compared to a 38% increase for male workers.
- **33%**: this is the increase in the rate of disability among all covered workers (the number of workers approved for disability payments compared to the total number of workers covered) over the last 10 years. Female workers' rate of disability increased 44% compared to male workers' increase of 24%.

2007 Social Security "Quick Facts"

- **51**: this is the average age of a disabled worker receiving SSDI benefits.
- **2.3 million**: this is the number of disabled workers in their 20s, 30s and 40s receiving SSDI benefits.
- **\$1,004**: this is the average monthly SSDI benefit for all disabled workers; disabled male workers average \$1,126 per month, disabled women average \$866.
- **More than 90%**: this is the amount of disabled workers receiving SSDI who do not qualify for workers' compensation.
- **3 in 10**: these are the chances of a young worker today becoming seriously disabled before reaching retirement.

*The Council for Disability Awareness
75 Pearl Street, Suite 205
Portland, Maine 04101
207-774-2634*

www.disabilitycanhappen.org

References:

The 2007 CDA Long-term Disability Claims Survey

Social Security Administration Disability Insurance Fact Sheets 2006 & 2007; www.socialsecurity.gov

*Survey participants included MetLife, Mutual of Omaha, Hartford Life & Accident, Sun Life Financial, Lincoln Financial Group, Standard Insurance Company, Unum, Principal Financial Group, Assurant Employee Benefits, Union Central Life, MassMutual and Prudential Life. The participating CDA companies represent over 75% of the commercial disability insurance marketplace and provide long-term disability insurance coverage to 30.5 million workers, 29 million who are covered through 190,000 employer-sponsored benefit plans and 1.5 million who are insured through individually purchased disability policies.

About the Council for Disability Awareness

The Council for Disability Awareness (CDA) is a non-profit group dedicated to helping the American workforce become aware of the growing likelihood of disability and its financial consequences. The CDA engages in communications, research and educational activities that provide information and helpful resources to wage earners, their families, the media, employers and others who are concerned about disability and the impact it can have on wage earners and their families.

For more information about CDA, visit: www.disabilitycanhappen.org.

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