

Disability Income Insurance: What Every Physician Needs to Know



By Cameron Short

Disability insurance is a crucial safeguard for any practicing physician. Many physicians do not realize that the group policies purchased by many practices can often fall short—leaving you unpleasantly surprised after it's too late.

Disability is surprisingly common—through accident, injury, illness. According to a recent study, most people believe they have only a 16% chance of becoming disabled during their working years, yet:

- If you're younger than 35, chances are one in three that you will be disabled for at least six months during the course of your career.¹

- Men have a 43% chance of becoming seriously disabled during their working years.² Women have a 54% chance.²

- At age 42, it is four times more likely that you will become seriously disabled than that you will die during your working years.²

Want to be better prepared? Consider the following:

LEARN THE LINGO

Before shopping for DI, know which features to look for—and the language the insurance industry uses to describe them. The following terms are part of the language describing high-quality policies, and are what you should look for to get the right coverage:

- **Non-cancellable:** To avoid the possibility of losing your coverage when you need it most, choose a policy that's non-cancellable and guaranteed renewable to age 65—with premiums also guaranteed until age 65. With group or association group coverage, you run the risk of being dropped and left unprotected at times when age or health conditions can make it difficult to qualify for other coverage.

- **Conditionally renewable for life:** Although premiums may increase after age 65, your policy should be guaranteed renewable for life, as long as you are working full time.

- **“Own-occupation”:** Own-occupation coverage defines “totally disabled”—and therefore eligible for benefits—as being unable to perform the material and substantial duties of your own occupation *even when working in a different occupation*. As a highly skilled professional who has invested so much in education and training, you want to make sure you have genuine own-occupation coverage. Group coverage is rarely true own-occupation coverage.

- **Residual Disability coverage:** Through a rider, a good individual DI plan can provide you with protection against income loss suffered as a result of partial (residual) *disability—even if you have never suffered a period of total disability*. This kind of residual coverage is not available with many group plans.

- **A choice of “Riders”:** Riders offer optional additional coverage such as Cat-

astrophic Disability Benefit (CAT), annual Future Increase Options, Automatic Increase and Cost of Living Adjustments, or “COLA.”

PROTECT YOUR PRACTICE AND YOURSELF

If you are a physician, you must also protect your income source: your practice. Special policies, available from the same DI providers who offer high-quality individual coverage, offer your practice protection while you recover from a disability.

To help meet office expenses while disabled, consider a separate type of disability coverage known as Overhead Expense (OE). Benefits reimburse your practice for expenses such as rent, electricity, heat, telephone and utilities and interest on business debts and lease payments on furniture and equipment.

Overhead expense insurance designed for professionals pays some additional costs not included in regular business overhead expense policies—including the salaries of employees except those who are members of your profession. For example, salaries for the receptionist and nurse would be covered, while salaries of other physicians would not. However, high-quality professional overhead policies will cover at least part of the salary of a professional temporary replacement for *you*.

IN ADDITION...

Partners in group practices will want to consider a policy known as a Disability Buy-Out or DBO. Just as life insurance benefits can be set aside to fund a buy-out by the remaining partner(s) if one partner dies, DBO is designed to fund the healthy partners' purchase of the disabled partner's share of the business. With the proper agreement in place before a disability occurs, hard feelings and the conflicts can be avoided. In combination with the disabled partner's individual DI coverage and OE, a DBO policy can allow the business to continue to generate an income for the healthy partner, while the disabled partner is supported by the benefits from his or her individual DI policy. Any continuing share of business expenses is reimbursed by the disabled partner's OE policy until the buyout is effected.

Consider upgrading your DI coverage today. Like malpractice insurance, it could be vitally important to your future economic well-being. †

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¹ Gallup survey conducted for UNUM Corporation (508 respondents ages 30 to 65), reported by *Best's Review*.

² “Why Disability” booklet, published by *National Underwriter*.

Erie VA Helps Veterans Recover from Traumatic Brain Injuries

John Parmarter was nearing the end of his year-long tour of duty in Iraq when a bomb exploded in a marketplace, knocking the National Guard Specialist off his feet. Immediately after the blast, Parmarter appeared unharmed, but the soldier was later diagnosed with a mild traumatic brain injury during a routine, preventative TBI screening at the Erie VA.

“It was subtle. I didn't wake up one day and say, ‘Hey something is wrong with me.’ I started forgetting things, messing things up—stuff I don't normally do,” says Parmarter. “I just assumed I was still readjusting from being over there. I didn't think it was anything serious.”

Dr. Orinick, an Erie VA Polytrauma team physiatrist, says that many service members and veterans simply brush off their TBI symptoms in the absence of external signs of injury. This is one reason why the preventative TBI screening—given to all returning service members as part of their initial check-up—is so important.

“Even a mild TBI can affect daily functions like memory and a change in vision, hearing, or smell,” says Orinick. “The key is to identify and treat these problems as early as possible. Their quality of life

and functioning can be improved.”

Last year, Erie VA treated more than 125 Veterans for TBI's. Patients who screen positive for a TBI are referred to Dr. Orinick and the Polytrauma Support Clinic for an assessment and a treatment plan.

Erie VA's Polytrauma Support Clinic is a multidisciplinary clinic comprised of staff members with areas of expertise in primary care, physical therapy, social work and occupational therapy. First, each clinic member meets with a patient one-on-one. Then, the staff collaborates to develop a comprehensive treatment plan for each veteran. These plans can include rehabilitation, medication management and behavioral health care services.

Nearly 90 percent of patients with a mild TBI recover from their head injury within a year. Mild TBI's are often disguised behind symptoms such as headaches, dizziness, lack of concentration, forgetfulness, irritability, balance problems, sensitivity to light and noise, and sleep problems. Common psychological symptoms include anxiety, depression and the feeling of being overwhelmed.

“I have good days and bad days. It's like my mind goes foggy. I lose words and I lose my train of thought. I'm lucky though because I was really smart

before, so now I'll settle for just being smart,” says Parmarter.

Beyond providing health care services, the Erie VA also provides veterans with adaptive equipment to help them regain some of their lost independence. Parmarter received a Personal Digital Assistant (PDA) from the Erie VA. The device has been extraordinarily in helping him remember daily appointments and tasks, he says.

Statistics suggest that some 360,000 Iraq and Afghanistan veterans may have suffered some degree of brain injury to date. Yet, only about 9,100 service members have been diagnosed with a TBI since the war began. Eligible returning service members have five years from their date of discharge to receive free Erie VA healthcare for any combat-related condition—including TBI's.

“The hardest part is admitting you have brain damage and your cognitive skills are less than average,” says Parmarter. “But once you admit it, you can begin to deal with it. The VA has helped me adapt to life and maintain as much functionality as I can. But it's a process.”

For questions or concerns regarding TBI injuries, please call Stacy Fritts, RN, at (814) 860-2647. †