

In addition...Physicians who are partners in a group practice will want to consider a policy known as a Disability Buy-Out (DBO). In much the same way that life insurance benefits can be set aside to fund a buy-out by the remaining partner (or partners) 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 of interest that can result from a partner's disability can be avoided.

Take the time to consider upgrading your DI coverage today. Like your malpractice insurance, it could be vitally important to your economic wellbeing in the future—and help **protect one of your most valuable assets: the ability to earn an income.**



**You want it.
We have it.**



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**Buying Disability
Income Insurance:**

**What Every Physician
Needs to Know**



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 **International**
PLANNING ALLIANCE, LLC
A WEALTH MANAGEMENT FIRM

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Want to be better prepared?

Learn to speak the lingo

The right disability income policy can help you keep your household going if you suffer a long-term disability. But before you go shopping for a DI policy, you need to 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 coverage you can count on:

Non-cancellable and Guaranteed

Renewable: To avoid the possibility of losing your coverage just when you need it most, choose a policy that's non-cancellable and guaranteed renewable to age 65, 67 or 70. This will also guarantee premiums until age 65. With group or association coverage, you run the risk of being dropped and left unprotected at a time in your life when, due to your age or a change in your health, it would be very difficult to qualify for coverage from another provider. The premiums for your classification group can also be increased at any time.

Conditionally renewable for life:

Although premiums may increase after age 65, your policy should be guaranteed renewable for life, as long as you are at work full time.

The Platinum Standard of DI protection has been known as “true own occupation.” Under this definition, if you cannot perform the principal duties of your specialty occupation, you would be considered totally disabled – even if you choose to work in another occupation and regardless of how much you earn.

BENEFITS ARE CRITICAL: Because not all disabilities will be total, “partial” disability benefits are a critical element of disability protection. Regardless of the severity of an injury or illness, getting back to the practice of medicine as soon as possible is likely to be a high priority for you. The purpose of a properly structured residual disability feature is to provide financial support for your efforts to return to your practice as soon as you are able, even if it can only be part-time. Look for a policy that only requires a “loss of income” to trigger a residual benefit.

Future Increase Options: You most likely will make much more income in your bright future. Make sure you can increase your coverage without proving medical insurability every year on your policy anniversary.

A choice of Riders: Riders offer optional additional coverage such as Cost of Living Adjustments, or “COLA”, Catastrophic Disability Benefit (CAT), Retirement Protection, Lump Sum, and Automatic Increase.

Got Student Loans? Student loans are the necessary evil of getting a quality education and investing in yourself to get to where you are now. However, student loans are usually never forgiven, even in the event of a bankruptcy. One insurance carrier, however, will cover your student loans by rider on your policy up to \$2,000/mo. You can sleep easy knowing in the event of a disability, one of your largest liabilities will be taken care of.

Oh, and by the way, Protect your practice and yourself

– As a physician, you must also protect the source of your income: the practice you've worked so hard to establish and grow. Special business DI policies, available from the same DI providers who offer high-quality individual coverage, offer your practice protection while you recover from a disability. For example, to help meet the expenses of running the office while you are disabled, consider a separate type of disability coverage known as Overhead Expense (OE). Benefits reimburse your practice for expenses such as rent for your office, electricity, heat, telephone, utilities, interest on business debts and lease payments on furniture and equipment, salaries of staff like a secretary or nurse, and may even help pay for your replacement during your absence.

...Talk to a financial professional to learn more!