

However, high-quality professional overhead policies will cover at least part of the salary of a professional temporary replacement for *you*, such as a doctor retained to fill in during your total disability.

### ***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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**Or send us your question  
in an email**

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**Buying  
Disability Income  
Insurance:  
What Every  
Physician Needs  
to Know**

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## ***Want to be better prepared?***

### ***Consider the following:***

#### ***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. 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.” Only a limited number of policies recognize explicitly your particular medical specialty as your regular occupation.

Under this definition, if you cannot perform the principal duties of your regular occupation, you would be considered totally disabled – even if you choose to work in another occupation and regardless of how much you earn. The true own occupation definition of disability may best meet your personal requirements and business realities.

### ***RESIDUAL BENEFITS ARE CRITICAL***

Because not all disabilities will be total, “residual” or “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.

A choice of Riders: Riders offer optional additional coverage such as Catastrophic Disability Benefit (CAT), *annual* Future Increase Options, Automatic Increase and Cost of Living Adjustments, or “COLA.”

### ***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.

Overhead expense insurance specifically designed for professionals pays some additional costs not included in regular business overhead expense policies—including the salaries of employees who are not members of your profession. In a practice such as yours, for example, salaries for the receptionist and nurse would be covered, but not the salary of your physician partner or employee.