

Insurance Questions Answered by DrDisabilityQuotes.com

[Editor's Note: This is the third of our five sponsored posts this summer as part of the [WCI scholarship](#) program, which receives 100% of the proceeds raised by these posts. Thank you to Bob Bhayani, MBA, LUTCF of [DrDisabilityQuotes.com](#) for sponsoring the scholarship and submitting this post. Thank you for supporting those who support our mission.

In this post, Bob answers common questions asked by WCIsers in the past.]



Why should doctors get insurance?

What is your greatest asset? Your ability to earn. It takes an intelligent, highly motivated, and committed individual to invest over a decade in education and training, combined with a mortgage-sized student loan debt to become a physician.

The investment made by a doctor in becoming an attending is unrivaled by any other profession.

Most physicians perform procedures, interventions, and surgeries using fine motor skills. It takes very little to

compromise that skill set. It might be a tremor in the hand, where you can no longer perform procedures or surgeries. Or, it may be chronic arthritis in the right ankle, where you can no longer stand and perform interventions or attend to your patients. Any such disability can put an end to your career.

A True Own Occupation policy can protect you against such uncertainty. For example, a surgeon who develops a tremor in their hand can no longer perform surgery but can still do pre-operation, post-operation consults, teach medicine, do research, or work as a clinician while still collecting benefits.

An Own Occupation disability policy ensures that the income and lifestyle expected will be protected in case of an accident or illness.

Which companies are the best and why?

An independent broker will never predetermine your disability insurance company or policy without consulting with you first.

Their job is to educate you on all the definitions, riders, and options to help *you* determine which company or policy is the best fit for your needs.

For example, Guardian's "Enhanced Own Occupation" language is favorable for surgeons and interventionists. Residents on a tight budget may consider Guardian's graded premium as their best fit. Ameritas will offer a stacked preferred occupation discount to specialties such as internal medicine, geriatrics, pediatrics, and radiology. This makes the enhanced coverage more affordable and competitively priced. For a physician looking for a value plan, Principal offers a good option.

Typically if you stick to the "Top Five" and evaluate all

their definitions, riders, pricing, and discounts you will be able to determine the best match for yourself.

What are the shortcomings of my employer's group disability policy?

1) Taxability

Group long-term disability is often paid by for by the employer, who is deducting the premium as a business expense.

This makes the benefit paid to the employee taxable. For a typical policy that covers 50% of your salary, the actual income replacement would be significantly lower with taxes deducted.

2) Group Maximums

Group long-term disability has a monthly maximum of typically \$5,000 to \$10,000 per month. What good is \$5,000 to \$10,000 taxable benefit when you are earning \$25,000 to \$40,000 a month?

3) Covered Earnings

What earnings are covered by group disability? Physician's income can come from salary, bonus, incentives, 1099 etc. Common group long-term disability covers salary only. If you earn \$150,000 in salary and \$250,000 in bonus incentives, tied to RVU's and procedures, then there would be a huge shortfall at the point of claim. Private policies look at total compensation, not just your salary or compensation tied to one employer.

4) Ownership and Portability

Group long-term disability is a certificate issued to an employee with no rights of ownership; unlike a private policy which is a guaranteed renewable non-cancellable contract between you and the insurance company. Your group long-term disability is tied to your employment and not portable, thus, leaving you uninsured when you leave that job. The group long-term disability plan coverage or cost can be modified or even be canceled by the employer or insurance carrier.

5) Offsets and Restrictions

The majority of group policies offer a 24-month Own Occupation period, which means if you can rehab in a new occupation, the insurance company will require you to do so. Any new earned income, social security, benefits, settlement proceeds or judgment awards will offset your group long-term disability benefit payouts.

Can I get disability insurance if I'm not perfectly healthy?

The first step in this process is to engage an independent broker who specializes in disability insurance. An independent broker will have the skill set, experience and relationships with insurance companies to be able to shop your coverage and negotiate the best outcome for you. This process may involve having you evaluated by several insurance companies. For example, if you had a history of back injury or disc disease, most companies tend to give you a full spine exclusion but an experienced broker can advocate on your behalf and get the insurance company to exclude the specific area of your spine i.e. lumbar spine but get them to cover your cervical and thoracic spine.

Even if your policy is issued at onset with an exclusion or modification, you can file an appeal in two or more years (as long as the exclusion is not permanent). If you can demonstrate significant improvement in your condition, if your medical problem has been eliminated, or enough time has gone by that an insurance company is convinced that the medical problem will not recur, the carriers can/may remove the exclusion.

What if I engage in dangerous hobbies?

Typically, an insurance company will require a questionnaire to complete in order to acquire additional details regarding the activities you engage in. Each case is determined by the specifics of the hobby, activity, frequency, level of danger, etc.

Something moderate will not need to be excluded. Someone who goes scuba diving on vacation once or twice a year in non-dangerous waters and shallow depths would not need a scuba diving exclusion. Situations where the underwriter would use an exclusion, include if someone frequently engages in diving, diving is the focus of their vacations, or they have advanced certifications and are diving to deeper depths.

Similarly, a person who hikes in the mountains with a backpack and water bottle, or day hikes, even to elevations of over 4,000 feet, would likely not need an exclusion. However, once someone uses equipment, ropes, harness, carabiners and/or oxygen, then they would be considered as a rock climber and would need to have an exclusion.

Interests can sometimes be okay without an exclusion if they are infrequent. An exclusion will not be issued for driving on a track with a professional driver for a Nascar experience on your birthday, as there is no expectation that you will be

doing this on a regular basis. Conversely, someone who races on the weekends as a hobby and competes with other drivers would require an exclusion for driving.

What about claims?

Which companies seem to be the best at paying claims in your opinion?

If you stick to the "Top Five," you should not have too many concerns about getting your claim paid, as long as it is a bona fide claim. An insurance company's rating (which is their claim paying ability) and reputation are very important factors to consider when choosing a policy. Most companies do a good job with claims. More often, it is a lack of understanding of what the policy does, or does not cover, that can lead to claims denial. For example, I often get inquiries from female physicians that are pregnant to see if they can file a claim. Pregnancy is not a disability and thus not a covered claim but complications of pregnancy are covered.

Is it hard to get a company to pay a claim?

If you have a fully underwritten guaranteed renewable non-cancelable policy and have a bona fide claim that is well documented, the odds of a denial are low. The best way to ensure against claim denials is to engage an independent broker who knows the marketplace and can recommend a comprehensive policy without loopholes. In addition, if there is a problem or question at point of claims, having a broker can be a great asset since they know what the plan covers.

Do you usually have to hire an attorney to get claims paid?

In most cases, you do not need to hire an attorney for individual disability income claims.

What types of claims are there?

There are two types of claims. ERISA based policies vs non ERISA policies. ERISA disability plans lead to claims being denied far more often. Depending on the type of policy you have, the legal remediation process can be very different. Typically ERISA claims are adjudicated in federal courts with a judge vs non ERISA claims, which can get jury trials. ERISA only allows back benefits (no pain and suffering) and usually don't pay your court costs also. In most fully underwritten policies, at point of claim, they will request full financial documentation i.e. tax returns, W-2s, pay stubs, and employment contracts. They also look at your CPT billing codes 12 months rolling to determine if your specialty Own Occupation is supported by your attending physicians and specialists' records. Mainly, a majority of the delays that occur are in securing all detailed medical records and transcripts, as you are relying on your doctor's office (and a third party like copying services) to get all the records. The more thorough the documentation you provide, the quicker your claim will be approved.

What about mental disability claims?

Many individual disability policies will limit mental nervous claims to two years of benefits only. In many cases, if a person has a physically disabling condition, then they should attempt to prove that the depression or anxiety is secondary to the physical condition. This argument can allow a

disability claim to extend beyond two years.

What mistakes do doctors make when buying disability insurance?

1) Buying a plan through an agent

Agents are subsidized and incentivized by insurance companies.

In return, agents are obligated to sell products for that insurance company, irrespective of the client's best interest.

An independent broker serves their clients' best interests, not the insurance companies'.

2) Focusing too much on cost

Many physicians shopping for coverage focus too much on low cost, instead of attaining comprehensive coverage. Removing the Own Occupation Rider or the Partial/Residual Disability Rider is not worth the cheaper premium, because the conditions to file a claim are so much more limited that they end up paying for coverage they will never qualify for.

3) Waiting too long to apply

Don't wait until you graduate residency/fellowship to apply in order to save money. Many individual disability carriers offer deep discounts for residents and fellows. These discounts often lock in for any increases in the future. In addition, residents and fellows are offered coverage without a physical exam or blood testing. As an attending physician, often a small policy can trigger blood, urine and paramed exam.

4) Waiting until something happens to buy

a plan

Policies are issued based on medical underwriting. Once you are issued a policy it cannot be taken away or repriced. even if your health changes. If you wait to buy a policy after you are symptomatic, chances are you will likely end up with one or more exclusions, along with modifications of benefits.

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Leveraging their decades worth of relationships with top insurance carriers. Bob Bhayani will shop your business with every major Insurance Carrier to create a True Own Occupation policy at best possible rates with all applicable discounts. Backed by years of Disability Income risk management experience and strong direct relationships with all the major carriers, Bob can provide a plan tailored to your specific situation and needs with the best policy and pricing available in the marketplace.

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What do you think? What questions do you have about disability

insurance? Comment below!