

AMA  INSURANCE

Shopping For Resident Disability Insurance



Investing In Yourself

You're making an investment in yourself through your medical training. There are decisions you will make about your insurance protection and financial goals that will affect your future. *AMA Insurance* has resources to help you explore your options and face those decisions with confidence that you are executing a plan that addresses your personal financial goals while recognizing the unique financial situation of a resident physician.

Understand Your Employee Benefits—And Know They May Not Be Enough

When you begin your residency, you will likely be given the opportunity to participate in an employee benefits program that will include various insurance plans, such as health insurance, life insurance and even disability income insurance. It's important for you to review these coverage options and consider their benefits and features, your family situation, and your financial obligations. While a nice base, the type of coverage and the benefits offered may not provide the level of protection that you need as a resident physician.

Supplemental Disability Insurance Fills The Gaps

Employer sponsored disability insurance is an important employee benefit, but on its own it may not offer you the protection you need as a resident physician. Most employer sponsored coverage offers a monthly disability benefit that would fall well below the amount you may need for ongoing living expenses should you become disabled and are unable to work. On top of that, depending on how the

Call Today!

888.627.5902

8am – 5pm (M-F, CST)

Schedule time to talk with an Insurance Specialists about your unique financial goals to help protect your assets, your lifestyle, and your family.

[Schedule a Call](#)

Email team@amainsure.com

[OR VISIT AMAINSURE.COM](https://www.amainsure.com) →

Meet Your Insurance Specialists

AMA Insurance Specialists are non-commissioned, salaried employees and have no sales quotas to meet. *Their sole purpose is to serve you.*

Whether you are looking for a quote, applying for coverage, waiting for an approval, or gathering information, they're here to help you each step of the way.

[LEARN MORE](#) →

premiums for your employer sponsored disability income insurance are paid, your disability benefit may be taxable. This would leave you with less monthly income.

You should also consider purchasing a personal disability policy that is portable and protects your medical specialty. It's not enough to have disability insurance, you need protection that meets your specialized insurance needs. *Resident disability income insurance* that offers own-specialty protection means benefits can be payable if you're unable to perform the duties of your own medical specialty, even if you could work in another job inside or outside of the medical profession.

Don't Overlook Additional benefits, Features, and Optional Riders

You should also weigh other benefits and features when purchasing supplemental *disability income insurance*. Look for coverage that offers you a future increase option. This may allow you an increase in benefits with no health questions or medical exam in the future as your income increases. Another feature to consider is a student loan payoff provision. This would pay a fixed amount to your lending institution to reduce or pay off your medical school loan debt. This benefit can range from \$150,000 to \$250,000 and is paid in addition to the monthly benefit specified in the policy. Often this benefit is only payable should you become completely and permanently disabled.

Most disability income insurance offers additional riders. A cost of living adjustment rider, also known as COLA, is an optional add-on that will increase your monthly benefit to keep pace with inflation. Another common rider available is a catastrophic disability rider. This rider provides additional funds, above the normal disability benefits, in the event you have a catastrophic disability. These additional benefits are to help pay for the care needed as a result of your disabling injury or illness.

Maintaining the right amount of physician disability insurance is important at this stage in your career. Your current financial obligations are significant and your biggest earning years are ahead of you. A disabling accident or illness could have a devastating impact on your income potential and the investment you have made in your medical training. Securing supplemental disability income insurance is an important step toward protecting yourself and your family with an income during a period of disability.

Finding a Less Expensive Disability Insurance Option

Securing quality disability insurance protection can be done within the limited budget of a resident physician. There are a variety of factors that can influence the price of the coverage, and understanding the difference is important as you shop.

The type of disability insurance you likely will have as part of the employee benefits program offers a baseline of coverage. These policies are reasonably priced and offer benefits that are often one-size-fits-all.

Individual disability insurance, often referred to as IDI, offer level premiums that are guaranteed over the life of the policy. These policies are also considered non-cancellable as long as the premium payments continue to be made. This type of coverage is very attractive to physicians, but the policies are expensive at the younger ages.

Association group insurance is offered through a group, like a medical association or specialty society. These plans typically offer less expensive premiums and are an attractive option for resident physicians looking for quality coverage at an affordable price. Premiums for association group insurance are stepped—less expensive in the early years of the policy and increasing at specific age bands. This type of disability income insurance appeals to budget-conscious young physicians.

You should also consider pairing different insurance together. In some cases, this approach can help you secure even more coverage – while keeping your overall premium payment lower.

As you shop for disability insurance it's important that you weigh the costs and benefits of different policies over the course of your career to find the best coverage that meets your financial needs.

No Time Like The Present

No one can predict when a disabling injury or illness might occur, so it's important that physicians maintain the right amount of disability insurance. Buying when you are young and just starting out makes sense. You shoulder significant risk—limited income and debt—and a disability of any magnitude could quickly result in financial hardship. Also, the younger you are when you buy your disability insurance, the more affordable the *premiums* will be. Building an income protection plan with disability insurance is not a one-time event. Instead, you should review the insurance you have annually to make sure your coverage meets the growing demands of your career.

The Bottom Line

Disability insurance is designed to provide you an income if you're unable to work due to a disabling illness or injury. And while you may have coverage through the teaching hospital where you are training, that coverage on its own may not meet your financial obligations. Is that a risk you're willing to take? Understand your options to secure the right amount of *disability income insurance* to help protect yourself and your financial future.

Questions?

Call An Insurance Specialist Today!

888.627.5902 8am – 5pm (M-F, CST)