

The Three Rs:

An Rx For Disability Coverage



No doubt we all agree that the three Rs of the learning tree — reading, 'riting and 'rithmetic — are important to a child's education. Another three Rs are equally important for physicians concerned with protecting their most valuable asset — their ability to earn an income — when they're sick or injured and unable to work. These are the three Rs of disability income insurance: residual, recovery and rehabilitation.

A quality disability income policy contains these three benefits in addition to basic coverage that pays a percentage of your pre-disability earnings — usually 60 to 70%— for the duration of an illness or injury after a waiting period.

Residual Benefits

A recent issue of Medical Economics reported that one doctor in three will suffer a long-term disability between ages 35 and 65. Just how long will these injured or ill physicians be "totally disabled" and therefore unable to work? As many of your physician clients will confirm, medical advances have significantly reduced the amount of time many people, yourselves included, will be "totally disabled" by illness or injury. It's far more likely a physician

will progress fairly quickly from total to partial disability — able to return to work, but not full time.

This is where good residual benefits are a must. Under residual coverage, they would receive a benefit proportionate to the income lost as a result of their reduced schedule.

Recovery Benefits

But what happens if they're able to return to work full-time after suffering a disability, only to find their client base eroded during their absence and other referring physicians are now looking elsewhere? This could prove devastating, especially if they work on a fee-for-service basis.

This is when recovery benefits would kick in, paying a partial benefit proportionate to the loss of income, giving time to seek out new clients and referrals and re-establish contact with past clients.

Rehabilitation Benefits

There is also the possibility that, once disabled, your client will be unable to return to his or her chosen medical specialty. In situations like this, vocational rehabilitation services can be a savior. It's crucial to seek out a carrier that employs its own staff of rehabilitation specialists to work with you to explore a different medical specialty or new occupation altogether. Coordinated by these specialists, the

claimant would receive help from professionals located in your area.

Focusing on ability rather than perpetuating disability, residual, recovery and rehabilitation benefits are three branches vital to physicians' disability income tree.

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