GROUP BENEFITS

10 Things a Disabled Physician Doesn't Want to Hear from a Long-Term Disability Claims Examiner

You have invested time and energy specializing in your area of medicine, and your skills and hard work provide you and your family with a commensurate level of income. But what if you become disabled and cannot perform your specialty or sub-specialty?

Understanding the need to protect your income and your family, you may have purchased individual disability insurance. And, as your income increased, you, like many other physicians, may have purchased Group Long-Term Disability (LTD) to provide added income protection.

But are all LTD policies alike? Not at all. If you experience a disabling illness or injury, here are 10 things you don't want to hear from an LTD claims examiner:

1. **Your LTD policy defines your occupation merely as "medical doctor."**

   Yes, this is likely to happen. An "own occ" LTD policy is not the same as an "own occ" individual disability policy. Be sure to find out how the LTD policy defines your occupation—whether it is MD, based on a limited list of specialties, or based on the more extensive list recognized by the American Board of Medical Specialties (ABMS).

2. **Your material and substantial duties are those performed by a typical physician, and not the specific procedures you were performing at your practice.**

   If you are performing cutting-edge or experimental procedures, or your "specialty" is not recognized by the ABMS, then don't be surprised if your inability to perform these procedures may not qualify you as disabled.

3. **We think you can be retrained to perform the material duties of some other type of medical doctor. Refusal to participate in retraining can terminate your benefit.**

   If "mandatory rehabilitation" is included in your policy, you may be required to be retrained to do some other job within your "occupation."

4. **If we can find some type of job you can perform, whether in your field of medicine or not, which could provide you at least 80% of your previous income, then you may not meet the policy's definition of required loss of earnings. We may refuse to pay you a benefit.**

   Some policies allow the carrier to try to find you another job locally (often within a 50 mile radius of your practice) that *could* provide you with at least 80% of your previous income. If such a job is found, then you do not meet the policy's income loss qualification.

5. If you can work at least 40 hours per week, regardless of how many hours you worked previously, you may not qualify for a benefit.

If you previously worked only 40 hours per week, then there is no problem. But if you work significantly more, then the carrier may not protect your ability to work the actual number of hours you were putting into your occupation.

6. If you can perform some of your duties, or you can work part-time, then you must do so—or we may terminate your benefit.

Doctors really don't like this provision. While some disabled physicians will attempt to work part-time while disabled, no doctor wants to be forced by the insurance carrier to do so. Does a disabled surgeon, unable to perform surgery, really want to be forced to sit at a desk all day talking with patients?

7. We consider you disabled, but we think you could work more hours, so your benefit is being reduced based on how much you could be earning if you were working to your "maximum capacity."

What disabled physicians want to hear that they are not working hard enough or putting in enough hours? Most disabled physicians want the choice of whether to return to work part-time and for how many hours. With this provision, that choice is taken away and controlled by the claims examiner.

8. If you move outside the U.S. or Canada, we may terminate your benefit.

More than 25% of the physicians in the U.S. are from another country, and if disabled, may want to return to their home country. Also, some physicians purchase retirement homes and property in other countries, and a disability may cause them to decide to retire early. In either case, benefits could be terminated if this provision is included in the LTD policy they purchased.

9. If you are disabled and working, after 12 months of benefits we will deduct 50% of your current monthly earnings from your monthly LTD benefit, which could result in your monthly benefit being reduced to as little as $100.

Because many disabled physicians do return to part-time work when disabled, it is important to understand how the policy determines your partial disability benefit. Most policies pay the same during the first 12 months of your claim (to encourage you to return to partial/part-time work), but after 12 months, policies diverge widely in what is paid. For highly paid physicians, the "50% Offset" formula found in some policies can reduce your monthly disability benefit to as little as $100.

10. If you are a disabled partner still receiving K-1 earnings, and you have receivables flowing into the practice, and you are also working part-time – then your combined current income may cause you to fall below the policy's required loss of income, and you may not qualify for a disability benefit.

Most policies require a minimum loss of income (often 20%+) in order to qualify for a benefit. If your policy includes *all* the income you may receive while disabled and working—including K-1 and receivables—then you may not show the required percentage in loss of income, and you will not receive a benefit until you do.

Ask an experienced Group LTD expert to help you thoroughly understand your LTD policy, and how the policy's definitions and provisions can uniquely affect you as a highly paid physician. These provisions can make the difference between a claim being paid or denied, or can significantly impact the benefit amount you receive.