

# Disability Insurance 101 for Medical Residents & Fellows

## What is Disability Insurance?

What would happen if an illness or injury made it impossible to practice medicine — even temporarily? Disability insurance (DI) ensures you keep getting paid, even if you can't work in your specialty.

Disabilities are more common than most doctors realize — and often have nothing to do with surgery, trauma, or physical accidents.

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## Why Do Doctors Buy It?

### 1. **To protect your future income.**

You've invested years of education and training to enter a high-income profession. DI safeguards your ability to earn, even if health issues interrupt your career.

### 2. **To protect your specialty.**

Many policies only cover you if you're unable to work in any job. With true own-occupation DI, if you can't work in your specific specialty—even if you can do something else—you still receive benefits.

### Example:

*A 34-year-old orthopedic fellow was diagnosed with aggressive lymphoma and couldn't work for nearly a year. His DI policy paid \$5,000/month tax-free, allowing him to cover his expenses and focus on recovery without financial strain.*

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## Isn't This Covered by My Employer?

Employer-provided DI plans often have major limitations:

- Capped benefits (e.g., 60% of salary, up to \$10,000/month)
- Bonuses not included.
- No protection for your specialty

Individual policies are fully portable — they stay with you no matter where you work, unlike employer-provided coverage.

👉 *Example: You're a surgeon and injure your hand. With an "any occupation" policy, the insurer might say, "You can still teach or do administrative work," and deny benefits. With true own-occupation DI, you're covered because you can't work in your trained specialty.*

👉 *Example: You're earning \$300k annually. Your employer plan replaces 60% of your income—but it caps at \$10,000/month. That means you'd receive only \$120,000/year. And if that benefit is taxed, your real take-home could drop closer to \$100,000 — just 35–40% of your original income.*

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## Why Buy It During Training?

💡 **Insurance companies offer 20-30% permanent discounts to residents and fellows – and these are not available once you're out of training.**

### **Protect Your Insurability:**

Even minor health changes like a new prescription or treatment can limit your ability to get coverage later. Buying early locks in your eligibility while you're healthy.

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## What Should I Buy?

There are five top-tier insurance carriers offering true own-occupation DI specifically for physicians. We work with all five to help you secure the most competitive pricing and coverage.

Most residents and fellows can qualify for up to \$5,000/month in tax-free coverage. Premiums typically range from \$100 to \$250/month depending on age, specialty, and gender.

We'll always work within your budget and provide side-by-side comparisons so you can clearly see the value of each option.

Many policies include a future purchase option — allowing you to increase your monthly benefit in the future, without requalifying medically — as long as your income has increased.

## Why Do Prices Vary if Coverage Looks the Same?

The market is highly competitive, and most carriers offer similar benefits. Pricing differences usually come down to how each carrier evaluates risk in your specific specialty.

One insurer may price aggressively for OB/GYNs, while another may favor internal medicine or surgery. You're not getting less value by choosing the lower-cost policy—just a better match for your profile.

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## What If I Have Health Concerns?

No worries. Many physicians have some medical history. The key is transparency. We'll guide you through the process and help anticipate any issues in underwriting.

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## What Happens During Our Call?

We'll walk through your quote, explain key features, discuss any medical history, and outline next steps. If you're ready, we'll begin the application — there's no commitment. Once submitted, the insurance carrier may request a brief health questionnaire or medical records.

Don't worry — they'll coordinate directly with your physician, and we'll guide you through every step.

Most carriers make a decision within 2–4 weeks. We'll keep you updated throughout the process.

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## What If I Want to Shop Around?

Absolutely — but just know that disability insurance pricing is state-regulated. If someone offers a lower quote, it usually means something important was removed.

They may remove key riders, shorten the benefit period, or reduce inflation protection. We'll help you spot the differences — and avoid surprises later.

## What's Our Role?



- Before you apply: We educate and guide you to the best plan for your needs.
  - During underwriting: We act as your advocate to streamline the process.
  - After you're covered: We're your long-term agent—here to help with claims, changes, and upgrades over the years.
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## Ready to Take the Next Step?

When we speak, you'll already be ahead of most residents when it comes to understanding disability insurance. If everything looks good, we can get your application started — no pressure, no obligation — just helping you lock in your eligibility while the discounts and coverage are still available.

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## FAQs We Often Get:

 Question	 Answer
Do I have to do a medical exam?	Not usually — especially if you're applying during training.
Can I cancel later?	Absolutely. You're never locked in, and we'll help with transitions.
Can I increase my policy later?	Yes — if we include the future purchase rider.
Is this only for surgical specialties?	Not at all. We help all specialties find the most competitive option.

 *\*A general surgery resident we worked with suffered a back injury six months after purchasing coverage. Because we included the right riders, she was able to collect benefits while doing research instead of operating — giving her financial stability and time to recover fully. \**