



THE ARISGARDE ADVANTAGE

EXCLUSIVE DISABILITY PLANNING FOR
PHYSICIANS & DENTISTS



WIN THE GAME OF LIFE

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OVERVIEW

Disability insurance provides an income to you in the event you become too sick or hurt to work. Benefits are paid monthly and generally speaking, income tax-free for individually owned policies.

Benefits usually begin after a waiting period has been satisfied and will last for the duration of a claim up to the policy's maximum benefit period. Policies may have exclusions and limitations. Some benefits described herein are available by rider at an additional cost and may not be available in all states.

ArisGarde is proud to offer the following information in an effort to answer typical questions about disability insurance. It is important to note that policies and what they may cover will vary. Always consult with a professional and review policy details on a carrier by carrier basis.

WHAT'S OWN OCCUPATION?

Known as true own occupation, regular occupation, etc., this refers to how disability is defined within the contract. Depending upon the policy, own occupation states if you can't perform the main duties of your occupation or specialty, you are still able to work in another occupation and receive the monthly benefit.

Keep in mind, the language can vary from carrier to carrier. A good contract will have a definition of disability that is straightforward and can apply to whatever your specialty is.

WHAT IF I'M NOT TOTALLY DISABLED?

If you are partially disabled, and you are not making the income you were before or not working as much as you were before, you can receive a portion of your benefits on the policy.

WHAT IF I SUFFER A CATASTROPHIC EVENT?

If as a result of a disability, you cannot perform 2 out of 6 activities of daily living (ADL's), there is an additional benefit provided to help you pay for additional costs.



WHAT ABOUT INFLATION?

If you are early in training or have a long enough runway until you reach retirement, consider a cost of living adjustment rider. This feature will increase your monthly benefits each year for the duration of your claim to help combat living expenses going up over time.

WHAT HAPPENS AS MY INCOME INCREASES?

If you're in residency or a fellowship, it's a virtual guarantee that your income will go up considerably upon finishing your training. Even if you are early in your career, over the next 10 or 20 years it is reasonable to expect your income to go up even if at a conservative rate.

As your income increases, if you are still working, a future increase option would allow you to purchase additional coverage.

Even if you experience changes in your health, if you are still actively working, you are able to increase coverage within the issue and participation limits the carriers have. Increases can occur annually depending on the contract.

HOW DO I STILL SAVE FOR RETIREMENT IF I AM DISABLED?

Disability insurance is used as a means of protecting your income and years of training. However, your income is what enables you to save for retirement and achieve long-term financial independence. An often-unaddressed piece when structuring these policies is how to ensure you will not fall behind on retirement goals while out of work and on a claim.

Some contracts allow you to also protect the amount of monthly contributions made into retirement plans.

Chances are, if you have a policy that was purchased in residency or that you may have purchased over 10 years ago, there are no provisions to protect your ongoing ability to save for retirement in the event of a disability.

Keep in mind, most policies stop providing payment while on claim and are limited to at or around retirement age.





WHAT IF I OWN A PRACTICE?

Individual disability insurance is designed to protect your earned income, which consists of salary and bonuses received. However, even if you are disabled, your financial responsibilities of owning a practice do not go away. This is true even though your personal income may be protected. There are three separate types of plans that you may want to consider depending up on the structure of your practice.

HOW DO I KEEP THE LIGHTS ON?

As any astute business owner understands, revenue goes towards paying expenses before paying yourself. In the event you are not able to practice and see patients, bills still have to be paid to keep the practice running while you are recovering. This includes utilities, mal-practice insurance, taxes, the list goes on.

The last position you want to be in is having to use personal income intended to pay your personal bills to meet your ongoing business obligations.

Business overhead expense plans exist to address some of these key issues and help reimburse the practice while keeping the lights on.



KEY-MAN

How do I protect my practice if one of my most important assets, a high-producing specialist or doctor is disabled, and patients are fleeing elsewhere? Key-man policies provide an injection of capital to the practice that will make up for lost resources and can be used in a variety of ways to address the loss of a key practitioner in your group.

WHAT IF I HAVE OTHER PARTNERS?

If you or one of your partners in the practice become disabled, your partnership agreement (or buy-sell agreement) will usually dictate that after a predetermined period of time, the disabled partner's equity in the practice will be purchased by the non-disabled partner(s). The challenge becomes how to finance the acquisition of the disabled party's equity during a time at which financial difficulties may be at their peak.

As many partnerships use life insurance to fund an untimely death, buy-out plans will help to finance a portion of the repurchase obligation for the remaining shareholders in the practice. Careful consideration from a financial and tax perspective is strongly encouraged and addressing this part of your business continuity plan is often overlooked but vital.



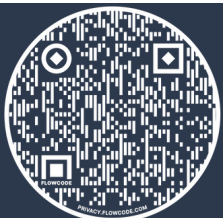
WHY ARISGARDE?

OUR EXPERIENCE with doctors means that we are able to recognize their unique planning opportunities to help them reach their goals. We take the time to educate them and block out the noise and misinformation.

OUR FIRM seeks to take the guesswork out of how legal, financial, and accounting systems work together for your benefit.

OUR TEAM develops a customized plan to make up for lost time in ways that are focused, effective, and based in experience.

With these considerations, clients realize that working with a thought-leader helps impact their chances to win the game of life.



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