

# THE CHALLENGE OF ADEQUATELY INSURING HIGHLY COMPENSATED PHYSICIANS

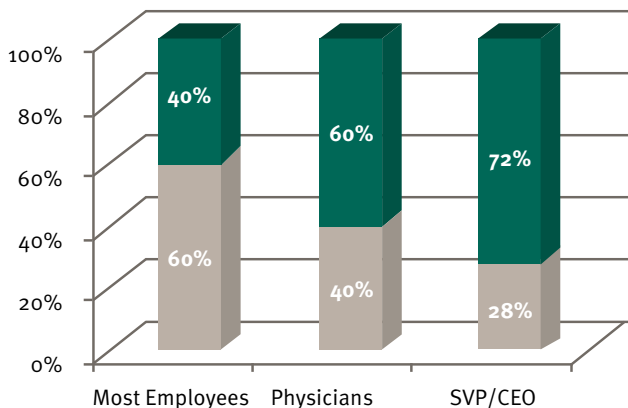
INCOME PROTECTION—FILLING “THE GAP” FOR PHYSICIANS



## CHALLENGE

Physicians tend to recognize the need for disability insurance more than other professionals given their daily interaction in the lives of their patients.

Unfortunately, most traditional group long term disability (LTD) plans do not insure a physician’s total income and can leave them under insured should a disability occur.



**KEY:**

- Uninsured Income
- Group LTD Coverage

## SOLUTION

**INNOVATIVE APPROACH INCREASES BENEFITS OFFERING, WITH NO AFFECT ON BOTTOM LINE...**

A relatively new approach to disability coverage has emerged and is gaining traction across professional groups in the United States. More specifically, supplemental individual disability is a physician paid program sponsored by the employer that creates several advantages to both the employer and physician.

## ADVANTAGES TO THE EMPLOYER:

- **No cost to the employer**—These plans are 100% physician paid, and the employer only needs to make payroll deductions available.
- **No impact to existing group LTD Plan**—Offering supplemental individual disability does not impact the pricing or experience of existing group LTD plans.
- **Helps your physicians**—Provides benefits on a guaranteed issue basis at reduced pricing that your physicians could not obtain on their own.
- **Enrollment is supported**—A combination of direct mail/online communication and enrollment is provided by the carriers.

## ADVANTAGES TO THE PHYSICIAN:

- **Less expensive**—Individual disability carriers have noticed favorable claim experience when working on employer sponsored supplemental plans resulting in lower prices. According to a recent Milliman study\*, these reductions range from 15% to 35% below a traditional individual disability insurance plan.



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- **Guarantee to issue**—Individual disability carriers favorable claim experience has given way to greater flexibility in the underwriting process. Plans now offer a short form physician questionnaire in lieu of full medical and financial underwriting. This reduces the burden on the physician while increasing both approval rates and processing time.
- **No contract limitations or restrictions**—If you respond favorably to the short form medical questionnaire, you are offered the benefits outlined in the initial offer, rather than additional exclusions or limitations based on existing medical conditions.
- **Increase future benefit options** – As a physician’s income increases over time, physicians are provided the option to increase their benefit each year without any medical questions.
- **No offsets**—Unlike the traditional group LTD plan, supplemental disability benefits are paid in full with no reduction from other sources like Social Security Disability, state disability or various types of pension plans.
- **Specialty definition of disability**—Physicians specialty and sub specialty of practice are taken into consideration in the definition of disability.
- **It’s portable**—The Physician owns the policy and may keep it if he/she leaves the firm. The carrier will create a direct bill relationship so the employer has no administrative duties.

## SUMMARY

The industry has seen favorable results allowing easier enrollment, guarantee to issue, and cost reductions that simply are not available to your physicians without your support. Other than supporting payroll deduction and initial roll out communications, there are no costs to the employer, only a tremendous value to physicians.

The Partners Group is here to help you attract and retain your physicians today and in the years to come. Give us a call to learn more about supplemental individual disability coverage.

## PHYSICIAN ADVISORY SERVICES

The right care is all about finding the right provider; one with experience, expertise and a tireless dedication to those they serve.

It’s true in medicine. It’s also true for insurance, investments, retirement and employee benefits.

The Partners Group’s Physicians Advisory Services team was created to serve the unique needs of physicians.

For more than 20 years, our team of specialists has helped physicians with everything from financial and retirement planning to protection for their income, homes, boats, businesses and beyond (even that rare wine collection).

We work with more physicians than any other firm in the region. In fact, we’ve helped more than 20,000 physicians and over 200 clinics work toward their financial health with products and services focused on protection, savings and growth. We’re also endorsed by the Oregon Medical Association (OMA).

Whether you’re a nearing retirement or just starting out, we can help ensure you’re on the right track.

We understand your unique challenges and opportunities—and speaks your language.

Visit [www.thepartnersgroup.com/pas/](http://www.thepartnersgroup.com/pas/) to learn more.

\* Milliman Annual Individual Disability Survey, 2011

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