

# Long Term Disability Insurance: Vital Protection for Doctors of Chiropractic

Long term disability insurance is important coverage for all professions. But, it's especially important for Doctors of Chiropractic, due to the physical, hands-on nature of the job. For example, while someone working at a desk may be able to continue to work with an injured leg or arm, it would be more difficult for you to continue to treat patients.

What's more, if an injury or illness leads to a disability, you'll still have bills to pay. Without a paycheck, it can be hard to cover regular expenses and possibly medical bills related to the disability.

This is where long term disability insurance factors in. It pays monthly cash benefits to help cover bills and expenses while you are disabled and unable to collect a paycheck.

It's important to get a policy that meets your needs. Here are five things to consider as you're comparing plans:

## 1. PRE-EXISTING CONDITIONS

A pre-existing condition is a health issue you were being treated or advised for prior to the start of your coverage. These conditions may not be covered under your new policy for a specified period of time. This is called a pre-existing condition limitation.

Unfortunately, some insurance companies consider routine, maintenance chiropractic care a pre-existing condition and exclude it from coverage for a certain timeframe. As a DC, you know the importance of this type of care. You also know taking advantage of this care doesn't necessarily mean someone has a condition; instead, it is often used to prevent injuries.

Look for a long term disability insurance plan and company that, understanding the nature of routine, maintenance chiropractic care, does not consider it a pre-existing condition.

## 2. OWN OCCUPATION VS ANY (GAINFUL) OCCUPATION

It is also important to understand what a long term disability policy covers in terms of own occupation versus any occupation.

**Own occupation policy:** An own occupation policy means you, as the policyholder, can claim benefits if you are disabled and not able to work in your chosen field of

employment. In this case, chiropractic.

**Any occupation policy:** On the other hand, with an any occupation policy, you, the policyholder, can claim benefits if you are disabled and cannot work in any occupation you are qualified for by education, training or experience.

Most policies are a hybrid model and will have an own occupation clause that switches to any occupation after a certain length of time. Be mindful of how long the own occupation clause lasts when comparing policies.

Also, most any occupation clauses should include “gainful” in the definition. This means that the occupation should allow a person to earn a certain percentage of their chosen field earnings, such as 60%.

### **3. BENEFIT AMOUNTS**

Disability benefits are paid as a monthly benefit. Plans generally list a wide range of benefit amount options. You will choose an amount based on a stated percentage of your pre-disability monthly earnings. (This is generally around 60%.)

For example, assume your pre-disability monthly earnings are \$5,000. If the disability plan you are considering will pay up to 60% of your pre-disability monthly earnings, you could apply for a monthly benefit up to \$3,000. In the event of a claim, the insurance company will typically use your last two years’ income tax returns to calculate your pre-disability monthly earnings. Therefore, it is a good idea to review your last two years’ income tax returns to make sure you are applying for a monthly benefit amount for which you are eligible.

Keep in mind that long term disability insurance is only intended to replace the income you receive from your normal occupation as a DC. This does not include investment income, rent, royalties, or any other income not directly produced by your work as a chiropractor.

Make sure you understand if you will receive the entire benefit amount, or if benefits are offset by other deductible sources of income, such as Social Security, Workers’ Compensation, retirement benefits or group or individual disability payments you may receive. In addition, look to see if the benefit amount decreases when you reach a certain age.

### **4. ELIMINATION PERIOD**

The elimination period is the time between the start of your disabling injury or illness and when monthly benefits begin. (Some people call it a waiting period.)

Your insurance company may offer you elimination period options, such as 90 days, 120

days, or 180 days. When deciding, think about how long you could cover your expenses without a paycheck. If you typically don't have a lot of money saved up, you may want to receive benefits sooner. If you have enough to cover bills and other expenses for a while, a longer elimination period may work fine for you. Pay attention to the difference in premiums; the shorter the elimination period, the higher the premium.

## 5. BENEFIT PERIOD

The benefit period of a disability insurance plan is the length of time you are eligible to receive benefit payments. For long term disability policies, a variety of periods can typically be found, including two, five, and 10 years, to retirement or age 65. Although less common, you may find a policy that pays benefits for life.

Here again, your decision will depend on your personal financial situation, including the cost of premiums for various options.

Protecting your ability to earn an income is a wise decision. Talk with your financial planner or insurance advisor as you compare plans. Once you've found the right policy, don't forget to review it on occasion. You may need to make changes as your family, finances and practice needs change over time.



### READY TO LEARN MORE?

Amanda Westerhold, Sr. Account Executive, will be happy to answer your questions. You can reach her at [awesterhold@ncmic.com](mailto:awesterhold@ncmic.com) or **800-932-9340, ext. 4551**. Get a quote and plan details at [www.ncmic.com/ltd](http://www.ncmic.com/ltd).

The above information is provided by NCMIC. NCMIC offers the DC Long Term Disability Insurance Plan, issued by The Prudential Insurance Company of America, exclusively to doctors of chiropractic. For details, visit [www.ncmic.com](http://www.ncmic.com).

NCMIC was formed in 1946 by a group of doctors of chiropractic with the express purpose of offering malpractice insurance to DCs when no one else would. NCMIC has grown to become the largest provider of chiropractic malpractice insurance in the nation and has expanded its offerings to include business and personal insurance, equipment loans, credit card processing, business credit cards, and premium financing.