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# Special Market: Selling DI to Military Doctors

BY RYAN PETERSEN

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As many of you may know, it can be challenging to provide a disability estate plan for a military doctor. There are only a handful of insurers who serve this client base, which means that the DI market has few solutions for our country's active duty men and women.

This is a problem, because doctors face two large financial concerns. The first is how to finance the education and training required in order to practice medicine. The second is how to adequately insure against the loss of future income.

Medical students may finance their education through savings, gifts, support from family members or student loans. Some also rely on an option provided by the U.S. Military: funded education in exchange for a multiyear commitment to serve in the United States Army, Navy or Air Force. Once trained, a doctor who takes this route is contractually expected to serve in the Armed Forces for a specified amount of time, usually a minimum of seven years. More specialized training requires a longer commitment.

Upon completion of these years of service, many doctors will leave the military to become civilian practitioners, which generally delivers a much higher paycheck. Usually this means buying into a practice, which may be accompanied by a significantly more expensive lifestyle such as a new home, new cars and private school for the children. Expenses remain high, loans may be needed and the time to mature a profitable practice may take a number of years.

In turn, a higher income and the promise of future increases requires a specialized high-limit disability insurance plan to protect against an untimely illness or injury that could cause all these dreams to collapse. For military doctors, this means that a special type of DI is needed.

### **Providing supplemental coverage**

The U.S. Government only offers disability compensation to their active duty members based on their rank pay rate, which does not include retention bonuses, incentive pay or housing allowances, and is often \$40,000 to \$60,000 less than their actual income. Therefore, the first hurdle you'll meet when trying to adequately protect an active duty doctor's income is how to coordinate this underlying protection with supplemental coverage.

The purpose of disability insurance is to provide a continuation of lifestyle without harsh sacrifices. A family whose lifestyle based on \$120,000 of annual income would clearly encounter significant hardship by having only half of that income insured against a disability. This is where the DI agent can offer significant value through supplemental coverage. A lump sum benefit equal to as much as ten times the current income can provide peace of mind for a military doctor's family.

### **Protection for the front lines**

Another hurdle, which has grown over the past decade, is the dangerous circumstances military doctors often encounter on a daily basis. A doctor who is deployed to the front lines of a war zone is clearly at a high risk for disability. This makes it even more critical to make sure that proper coverage is in place, which can protect even in the event of war or terrorist activity. In cases like this, you'll often need to seek a specialist, generally a carrier in the non-traditional marketplace.

Physicians and surgeons are typically the dream clients for agents: They have high incomes and an ingrained understanding of the need for disability insurance. Military physicians are an often overlooked group within this category, and they need special consideration. The best solution is to pair a modern monthly benefit and a lump sum benefit plan designed to fit the individual's needs.

Our servicemen and women deserve this attention to detail when it comes to protecting their livelihoods, something they unconditionally reciprocate by protecting our freedoms and liberties.

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