

INCOME PROTECTION FOR UROLOGISTS

Some Perspective by Stephen L. Rivetti & Tyler L. Rivetti

We have been working with physicians for the last 30+ years. When we started providing income protection solutions, there were over 125 disability income companies. Out of those 125, there were approximately 25 whose disability contracts contained the contractual language that included a specialty specific definition. Today there are approximately 25+ carriers with this coverage, of which only **3 in California contain the preferable language; specialty specific definition for a urologist.**

Through the years, we have seen medicine change dramatically. Disability companies have responded by removing or changing favorable contract provisions, i.e.:

- Reducing benefit periods
- Increasing waiting periods
- Removing the specialty specific, own-occupation definition
- Increasing premiums
- Tougher medical underwriting
- More stringent financial underwriting
- Stricter claims handling processing

The most important contractual provision is the definition of a “total disability”. Some companies will only pay a benefit if you are unable to work in any gainful occupation suitable for your education and skill-level. It is very difficult to be considered disabled under this type of contract. **The most preferable is the own-occupation or specialty-specific definition of disability.** Under this definition, if you cannot perform the duties of a urologist, you are eligible to receive benefits – even if you return to work in a new occupation/specialty.

In the last 30 years, we have seen many friends and clients die and become disabled. We have seen physicians, not only become HIV positive, but contract AIDS, be stricken with leukemia, brain tumors, prostate cancer, heart disease, incur severe back injuries, get diagnosed with cognitive diseases and much more. We have seen the value in our recommendations, and we have seen hardship experienced by some who didn't take our advice.

The protection of your income should be the foundation for your overall financial plan. When all is said and done, disability coverage allows you to meet your financial obligations. It allows you to focus on getting well and trying to overcome your injury or illness. It allows you to live with dignity.

Remember the first rule of insurance - insure first that which you can least afford to lose.... your income, your health and your life.

If you had a goose which continuously laid golden eggs, would you rather insure the eggs or the goose? The smartest decision would be to insure the goose's ability to lay those golden eggs. If you are like most of our high income clients, the single greatest asset your family has is your ability to earn an income.

The probability of at least one long term disability (90 days or longer) occurring before age 65 is:

- 50% for someone age 25
- 45% for someone age 35
- 38% for someone age 45
- 26% for someone age 55

Inadequate disability coverage can be more costly than death, divorce or a lawsuit. If you have never heard of a living death, well...disabilities happen.

Give yourself an income protection checkup:

- How long does my coverage last?
- How much is my monthly benefit? i.e. \$10,000/month
- Can I live on that amount per month?
(Assuming you have \$10,000/month of disability coverage, if you earn \$500,000 per year or \$41,667 per month, that represents only 24% of your pre-disability income. If you walked into your office tomorrow and your income was cut by 76%, could you survive?)
- Is my policy specialty specific for the entire benefit period? Most group policies will be for only a 2 to 5 year period.
- Who pays the premium? You typically want to pay premiums personally. This way the benefit is received tax free. There are also other issues as to why you do not want your corporation paying and deducting premiums. Some physicians have been told to write off premiums until you run into a potential situation where you will get disabled and then pay your next premium post-tax. The theory being that your last premium was not deducted; therefore, the benefit will be tax free. Do not believe it and do not take that advice.
- Do I have adequate overhead coverage? Many physicians who contact us have inadequate coverage.
- Do I have a contractual provision in my buy-sell agreement providing for disability buy-out if I or one of my partners become disabled and how is it funded?
- Is my carrier financially stable?
- Is my policy non-cancellable? Group policies or association coverage can be cancelled, premiums can be increased. With a non-can product you will pay a fixed premium throughout the contract term.
- Does my policy contain a Cost Of Living Adjustment (COLA)?
- Does it pay if I am partially disabled?
- Are my future pension contributions covered?

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We hope this information has been of value to you. Our desire is to help physicians make educated, informed decisions when protecting their income.

About the author:

Rivetti, Clark and Associates is a sponsor of the CUA. They are responsible for insuring thousands of California physicians. Rivetti, Clark & Associates is the administrator for the disability program covering the housestaff at County USC Medical Center, Harbor/UCLA Medical Center and Children's Hospital Los Angeles. They are available for any questions, comments or a free policy analysis at steve@rivetticlarck.com – tyler@rivetticlarck.com – 818-878-7800.

MINUTES

23rd Annual Membership Meeting California Urological Association

Wednesday, October 28, 2010 ~ Hilton Waikoloa
Hotel, Waikoloa, Hawaii
Monarchy Ballroom
(Held in conjunction with the
Western Section AUA's Annual Meeting)

Officers Present:

Eugene Rhee, M.D., President
Phil Weintraub, M.D., President-Elect
David Benjamin, M.D., Secretary-Treasurer
Joe Kuntze, M.D., Immediate Past President

Past-Presidents Present:

Doug Chinn, M.D.
Daniel A. Nachtsheim, M.D.
Jeffrey E. Kaufman, M.D.
Joe Kuntze, M.D.

1. Call to Order

A quorum was established with 65 members present and approximately 90 in total attendance, President Eugene Rhee, M.D. called the meeting to order at 1:20 p.m.

2. Approval of Minutes

The minutes of the previous meeting of the 22nd Annual Membership Meeting held on October 27, 2009 were read and presented; a motion to approve was passed.

3. Report of the President– Eugene Rhee, M.D., President

Dr. Rhee began his report by thanking everyone in attendance and introducing the officers and DeSantis Management Group. Dr. Rhee wanted to first mention the Health Policy Forum which occurred on Sunday in conjunction with CUA and WSAUA. He said that the HP Forum touched on many areas in which uro-

Health Policy Survey Award Winners:

The WSAUA Health Policy Survey is now available for viewing at www.cuanet.org and is highly informative.

Representing California are districts 4-7, and 10 and that is 136 of the 300 respondents – over 45%.

The winners of the drawing were as follows:

For the Apple iPadArmen Dikranian, M.D.,
Alhambra, CA

For the 1st \$500Jian Ma, M.D., Bellevue, WA

For the 2nd \$500.....Karl R. Westenfelder, M.D.,
Missoula, MT

Thank you to you all who participated in the survey.

gists are concerned about, mainly healthcare cuts in their practices. He said that the Health Policy survey that was sent out this year showed that of those surveyed, 55% are compelled to become involved at a national, state, local level in urology matters.

Dr. Rhee stated that one of his main goals this year is to continue the agreed strategy, which was discussed at the CUA Interim Meeting in San Francisco, to develop a CUA Patient Advocacy Letter Initiative at a grassroots level to educate our patients. He said that 12 urologists stepped up who are in key strategic positions to help with this initiative. The goal is to have a letter readily available to be signed by patients and sent to Senators and Congress persons. Not only will the CUA produce a letter but a pamphlet describing the many talking points for patients to read and understand what is going on and to get them involved. The handout included drafts of each the letter and pamphlet. Dr. Rhee reported that a letter was sent to the membership in August asking to describe their challenges in their practices or if they were interested in being involved in the CUA.

He concluded saying that now is the time that urologists need to get involved in what is going on in our political environment, if not, others will take over. The CUA will focus to be effective against legislation that damages the practice of urology. He said that increasing membership in the CUA is of importance, as it is numbers which will carry weight to change legislation. Dr. Rhee said that the CUA is a powerful state organization and thanked the work effort of Dr. Kaufman, Officers and of the CUA office staff support – Chris and Jeannie DeSantis. The motion to approve the President's Report was seconded and passed.

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