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## Asset protection issues for married physicians

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by Rachel Podnos, Jd • Aug. 14, 2015 • 2 min read • [original](#)

We all have to deal with liability issues and asset protection concerns (primarily due to automobile accidents). Physicians have an extra layer of asset protection vulnerability via potential malpractice lawsuits. Two married physicians have even higher risks. In addition, as doctors you are likely to eventually have substantial assets.

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There are several basic asset protection actions that every married couple should take —physician or not. Here are four to consider:

### *Individual car titling*

The first action is to ensure that each car (and boat) owned by the family is titled in the driver's name only. Here's why: If a car you are driving is either in both names, or the other spouse's name, the plaintiff can come after any assets owned solely by you, solely by your spouse, or jointly. In contrast, if your car was titled only in your name, the plaintiff could only come after assets solely owned by you. Keeping each car titled solely in the primary driver's name strongly mitigates the risk of joint liability due to auto accidents. The same goes for your children — if you have minor children who drive cars owned by you, transfer the title to their name on the day they turn 18.

### *Personal liability insurance*

The second major basic asset protection action you should take is purchasing a personal liability umbrella insurance policy. These policies cover you if you are found liable for causing injury to someone with your car or on your property. For example, if you were found liable through a car accident for a \$1 million judgment, the personal liability policy will cover your responsibility over the amount that your auto policy provides (up to the limits of the umbrella). How much umbrella liability coverage you should have is variable, but most families consider between \$1 million and \$5 million in coverage. One great thing about these policies is that they are cheap — it shouldn't cost you more than \$300 per million dollars in coverage per year. Having a personal liability umbrella policy is especially important if you have minor children driving cars titled in your name.

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### ***Tenants by the entirety titling***

Many states, but not all, have a form of asset titling called Tenants By The Entirety. It is only available to married couples and is one of the highest levels of asset protection you can reach through titling assets. In effect, it allows spouses to own property together as a single legal entity — leaving the property open only to joint creditors and not creditors of just one spouse. *If your state has this form of asset titling, you should take advantage of this great tool and title your home and investment accounts accordingly.*

### ***'Double doctor' couples***

Married couples in which both spouses are doctors have extreme exposure to liability because any shared patient is a potential joint creditor. The first piece of advice I give to these couples is, obviously, never share a patient if you can help it. This is by far the simplest way to avoid this potential major liability exposure. However, even if you do your best not to ever share patients, you should still go above and beyond in the asset protection department to insure against the possibility of a joint creditor reaching your assets. For example, carry a high amount of umbrella liability coverage. If you live in a state with Tenants By The Entirety titling, you should also consider the possibility that one spouse could die prematurely leaving your protected assets individually titled in the name of the surviving spouse and open to creditors. There are estate-planning tools to avoid this scenario from happening.

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There you have it: Everyone, doctor or not, should have appropriately titled cars and a personal liability umbrella insurance policy. If you live in a state with Tenants By The Entirety titling, take advantage of it! If you are a "double doctor" couple, make asset protection and estate planning an immediate priority.

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