Insurance is a topic rarely discussed until the need arises. At this point it is often too late and financial hardship usually follows. As a physician and potential high income earner, your insurance needs can be quite complicated. Risk management is imperative and will continue to change as you transition through your career. Reviewing and updating policies is essential to protect you, your family, and your practice.

Due to the years of training required to become a physician, many medical professionals start their career with substantial student debt. If you are unable to return to your full capacity after a disability you will be fighting an uphill battle with your finances for years to come. Disability insurance is most commonly used to supplement and/or replace income if this scenario arises. Advisors tend to suggest a plan that will replace 65% of your current income. This number can vary greatly depending upon factors such as income, overall debt, current expenses, and retirement goals just to name a few. But these policies are very complicated; what they cover, what they pay and when, is it taxable income to you or not, etc. You may wish to enlist the assistance of an unbiased professional in sorting through the options.

Malpractice insurance is essential to protect yourself while doing what you think is best for your patient. Each individual's specific circumstances vary greatly and the optimal type and amount needs to be tailored to your situation. Each state has varying minimum coverage requirements which will also impact your level of protection. Another aspect of malpractice insurance to keep in mind is the protection needed after you are no longer practicing. This portion of your policy is referred to as tail insurance. This important piece of the puzzle will protect you years after your career in the medical field has ended. Oftentimes the most attention is paid to the cost of insurance instead of the actual policy and its coverage/benefits. Please make sure to review what each policy covers in great detail. A coverage option may be cheap but it may not cover your specific individual need. "The bitterness of poor quality remains long after the sweetness of low price is forgotten." *Benjamin Franklin.*

The "connected age" has increased the availability of information but has also presented new types of risks for you. Cyber security and HIPPA violations are new areas of potential liability for you that have been on the rise. Cyber liability and HIPPA coverages are available and some policies mentioned above may address these issues. But if you are concerned about these issues you should make sure you are covered accordingly either in existing plans or through a separate coverage.

Life Insurance is most frequently used to replace the income of a loved one should the unthinkable happen. Unpaid debts, monthly expenses, unfunded education accounts, and large mortgage payments will all compound the hardship of losing someone close to you. Term insurance – particularly level term where the premium is level for a period of time – is among the most cost-effective ways to obtain the larger amounts of coverage you need in your younger years and is often used to give your family peace of mind. If all goes according to plan, term insurance will expire after your mortgage is paid off, children have started families of their own, and retirement accounts are large enough to supplement the income needs for your survivors.

If you are a part owner of your practice, life insurance can also be used in connection with a buy/sell agreement between owners of a partnership. Were you or one of your partners to pass, the value of the practice is a significant asset for the decedent's family that is of little use unless it can be converted to cash. A buy/sell agreement funded by life insurance owned either by the partnership or by the other partners is another potential way to use life insurance for protection in the event of untimely demise.

This ensures that each surviving partner can continue on without the need to sell his or her portion of the practice to fund a buyout while also providing liquidity to the deceased partner's interest.

Another area with which physicians are a bit more familiar – at least from the provider perspective - is health insurance. This coverage is often available through your employer utilizing a group plan. But if you are working as a sole practitioner or in your own small group, you will have a couple more decisions to make in this area. Will you be providing coverage for your employees? Will you be offering a HMO, PPO, or POS health option? If the plan qualifies, will you offer a flex spending account and if so, who will administer it for your practice?

All of these various coverages are important for you to consider. They are also costly and complicated. Fiduciary advisors that do not have any connection to the sale of products – insurance or otherwise – exist for the purpose of providing experienced, professional, objective guidance to you in areas such as this. So if you have questions, please reach out to a fiduciary advisor in your area. They will be able to answer many of your insurance questions and can help find a qualified agent to assist with all of your insurance needs.

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