

Long-Term Disability Insurance

A Resource for UCSF Residents and Clinical Fellows

This important decision is an individual one and all options must be considered, but here are a few things to consider. Long-term disability insurance provides professionals with a source of income in the case of an inability to work unexpectedly. A disability is defined as an injury or illness that interferes with the ability to work. Long-term disability can last from several months to a lifetime.



Many employers provide some type of disability insurance coverage. However, for practicing physicians, even if this is provided by an employer, the amounts of coverage may not be enough. Personal long-term disability plans are available for purchase. Residents and clinical fellows are offered opportunities to purchase long-term disability as early as prior to graduation from their GME programs.

This resource has been provided by the GME Resident and Fellow Affairs Committee.

“Own Occupation” Disability Insurance Plans provide coverage specific to the type of work of the insured. In the case of physicians, this extends to the medical specialty practiced. These plans may be purchased at any time. While proof of income and health examinations may be required, the coverage will be greater than the “GME long-term disability” plans and there may be other benefits available, such as medical school loan forgiveness. These plans may be purchased through the American Medical Association or individual specialty professional societies.

“GME Long-Term Disability” Insurance Plans are offered by insurance companies to graduating residents and clinical fellows. To be eligible, the potential insured must be enrolled in a GME training program and approaching graduation and independent practice, which is why they are called “GME long-term disability” plans. These plans usually do not require proof of income or medical examination; however, monthly premiums may be higher for smokers. After a designated wait period, this type of plan will provide a pre-determined amount of monthly income if the insured is unable to work due to injury or illness. The monthly premium remains the same from the time of purchase of the plan until either the plan is terminated or the coverage is needed.

Questions to Ask When Researching long-term disability plans are listed below. The first steps are to check what your employer offers and if there is an option for purchase through your professional organization.

- ✓ Is the plan “own occupation”? Is it medical specialty specific?
- ✓ Can coverage be increased in the future?
- ✓ Can the plan be canceled?
- ✓ Are benefits taxable?
- ✓ Will medical school student loans be paid?
- ✓ Does the plan continue if employer at the time of purchase is changed?
- ✓ Does the plan cover mental health disability?

Resources are available to assist residents and clinical fellows when deciding whether or not and/or when to purchase long-term disability insurance:

- ✓ AMA Insurance: www.amainsure.com
- ✓ *What Every Physician Should Know about Disability Insurance*, AMA Whitepaper: www.amainsure.com/dwp.html
- ✓ Specialty-specific professional society