

Five Reasons to Get Disability Insurance During Residency

As a physician—especially during residency—your most valuable asset is **your ability to earn income in the future**. After years of education, training, and delayed earnings, an injury or illness could be financially devastating if it prevents you from working in your specialty.

Many physicians understand the importance of disability insurance but wonder whether residency is the right time to buy it. Below, we outline five key advantages to securing coverage during training.

1. You're Young and Healthy

You'll never be younger than you are today, and you know better than most how quickly health can change. Since disability insurance premiums are based on **age and health**, buying coverage during residency means:

- ◆ **Lower Premiums for Life** – You lock in lower rates compared to applying years later.
- ◆ **Option to Lock in Health** – Through features like Future Insurability Options (FIOs), you can preserve your health rating and buy the right to increase coverage in the future—even if your health changes.
- ◆ **Less Health History to Underwrite** – Applying early minimizes the chance that a developing condition results in policy exclusions or rating surcharges.

2. Residency Offers Limited Underwriting

During residency, many disability insurance carriers offer **streamlined underwriting**, making it easier to get approved for coverage. This typically includes:

- ◆ **No Medical Exams Required** – In most cases, no bloodwork, urine tests, or physical exams are needed.
- ◆ **Guaranteed Baseline Coverage** – Residents typically qualify for \$5,000–\$7,500/month in benefits, regardless of income or group coverage.
- ◆ **Minimal Financial Underwriting** – You usually don't need to submit tax returns or proof of income.

Planning Note: Some policies allow for **graded premiums** or benefit amounts **as low as \$1,000/month**. These are great ways to **keep costs low** while still locking in future coverage options through features like Future Increase Options.

3. You Can Lock in Your Health for Future Increases

It's critical to understand your ability to increase coverage as your income grows. This is often available through a **Future Insurability Option (FIO)**, which:

- ◆ Lets you increase your benefit without further medical underwriting.
- ◆ Protects your ability to expand coverage even if your health deteriorates in the future.

This is especially important because your income will likely triple or quadruple after training, but your ability to qualify for new coverage could change at any time.

4. Group Benefits May Limit You Later

If you eventually join an employer with group disability coverage, that group plan could:

- ◆ **Reduce the amount** of private coverage you're eligible to purchase.
- ◆ **Limit your benefit definitions**, especially if it lacks own-occupation protection.



- ◆ **End when you leave the employer**, potentially leaving you without protection.

Planning Note: Securing private coverage **before joining an employer plan** ensures your benefits won't be reduced or limited. Your **existing policy remains intact** and portable, providing maximum protection over your career.

5. You May Qualify for Exclusive Discounts During Training

Physicians in training often have access to **exclusive discounts**, including:

- ◆ **Training-Specific Discounts** – Many carriers offer lower rates for residents and fellows.
- ◆ **Unisex Rates & Multi-Life Discounts** – Some residency programs qualify for group-style pricing when multiple trainees apply together, offering further savings.

Bottom Line: These discounts are often **not available after graduation**, so taking advantage during residency can lock in meaningful long-term savings.

Final Thoughts: Protecting Your Future Starts Today

As a resident, your income may be tight, but securing disability insurance now is a small, proactive step with a huge long-term payoff. Consider:

- ◆ Locking in **lower rates for life**
- ◆ Maximizing ease of coverage through **simplified underwriting**
- ◆ Protecting your ability to **increase coverage without future medical exams**
- ◆ Avoiding **employer restrictions** that could limit your options later
- ◆ Taking advantage of **exclusive residency discounts**

Disability insurance is a cornerstone of financial planning for physicians. Get the right coverage now—so your income, career, and financial future stay protected.



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