

## Key Disability Insurance Riders

Disability insurance is an essential part of protecting your income as a physician. While core coverage provides the foundation, disability policies can be customized with optional features—called riders—that expand the scope and flexibility of your protection. Understanding these riders is critical to ensuring your policy aligns with both your professional responsibilities and your long-term financial plan.

Below are some of the riders we believe are of highest value for physicians and should be considered when evaluating or designing your private disability insurance policy.

### Own-Occupation Definition of Disability

The definition of disability is one of the most important components of your policy. In some cases, Own-Occupation is treated as a built-in feature; in others, it's an added rider you must specifically elect.

There are three primary definitions you'll encounter:

- ◆ **Any Occupation:** You are considered disabled only if you are unable to perform the duties of any job for which you are reasonably suited based on education, training, or experience. This is the most restrictive and least favorable definition.
- ◆ **Hybrid or Modified Own-Occupation:** Some policies begin with an Own-Occupation definition but transition to an Any Occupation definition after a set number of years (often 24 months). This can reduce your benefits over time if you're able to work in a different field.
- ◆ **True Own-Occupation:** You are considered disabled if you cannot perform the duties of your specific medical specialty, even if you're able to work in another capacity. This is the most favorable and the most relevant for physicians.

The specific language of the Own-Occupation definition can influence whether you're allowed to work in another job without affecting your benefits. For example, a surgeon who develops a hand tremor and can no longer operate may still be able to teach or consult.

With a True Own-Occupation rider, they would receive full disability benefits even while earning income in a different role. Without this protection, benefits could be reduced—or denied—because they are still working in a related field.

### Residual or Partial Disability Rider

Disability doesn't always mean you're unable to work entirely. Many conditions allow for limited or part-time work, often at reduced income. A Residual Disability Rider allows you to collect partial benefits if you experience a qualifying income loss due to a disability—even if you're not totally disabled.

**Eligibility for residual benefits can vary by policy:**

- ◆ Some require only a loss of income
- ◆ Others require a combination of lost income and reduced time or duties
- ◆ Many require a minimum income loss (commonly 15–20%) to trigger benefits

It's also important to note whether your policy uses **"and"** or **"or"** when referencing time, duties, and income loss—"or" being the more favorable, more flexible wording. This rider is particularly valuable for



physicians whose responsibilities may shift gradually after a health event, rather than stopping all at once.

### Future Insurability Option (FIO)

As your income increases over time, your disability coverage should grow with it. The **Future Insurability Option (FIO)** allows you to increase your monthly benefit without going through medical underwriting again. This is especially important for physicians early in their careers who anticipate significant salary growth.

FIO riders typically allow increases at specific ages or when you experience qualifying life events such as a salary increase, job change, or the loss of group coverage. Even if your health changes, your ability to expand coverage remains intact if the FIO is included in your policy. It's a proactive way to protect your future earning potential while keeping costs more manageable early on.

### Cost-of-Living Adjustment (COLA) Rider

The **COLA Rider** helps your disability benefits keep pace with inflation while you're on claim. This rider increases your monthly benefit annually, either by a fixed percentage (such as 3%) or in alignment with a consumer price index (CPI).

Because many disability claims last several years—and in some cases decades—adding a COLA rider is a smart choice, especially for younger physicians. Without it, your benefits could lose real value over time, reducing your purchasing power during a long-term disability.

### Catastrophic Disability Rider

The **Catastrophic Disability Rider** provides additional benefits if your disability results in extreme loss of function, such as the inability to perform two or more activities of daily living (ADLs)—bathing, dressing, eating, etc.—or if you suffer from a cognitive impairment.

This rider is designed to cover the higher cost of care in severe disability scenarios. It acts like a built-in long-term care benefit, providing extra financial support when your needs are greatest. It may be particularly valuable if you don't already have separate long-term care coverage in place.

### Student Loan Repayment Rider

Student loan debt is a reality for many early-career physicians. The **Student Loan Repayment Rider** offers additional monthly benefits, specifically earmarked to help cover your medical school loans if you become disabled.

This benefit is typically layered on top of your standard monthly benefit and is time-limited—often five to ten years. It can be especially useful during the early years of practice, when income may still be growing and student debt obligations remain significant.



## Final Thoughts

Adding the right riders to your disability insurance policy can elevate your protection from basic to comprehensive. These enhancements allow you to:

- ◆ Cover partial income loss due to reduced capacity
- ◆ Protect future income growth without new medical exams
- ◆ Maintain purchasing power during a long-term disability
- ◆ Receive supplemental benefits in catastrophic or high-cost situations
- ◆ Address student debt repayment needs in the early stages of your career

Not every rider will be the right fit for every physician, but understanding the value and purpose of each one allows you to build a policy that truly reflects your needs—today and tomorrow.



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