Surgeons, How’s Your Fiscal Health? Are You Under-Insured For Disability Insurance?

Vascular surgeons know they need excellent medical malpractice insurance. But how about disability insurance? SVS members just might be significantly under-insured, potentially impacting their lifestyles after a disability.

SVS’ Affinity Program of expanded benefits can connect members with individual disability plans with three companies – Principal Life Insurance Company, Securian, and Lloyd’s of London. These plans provide taxfree benefits, protecting hundreds of thousands of dollars – maybe even millions – in future tax-free benefits income.

This is unlike group plans in which the employer or group pays the premium. “You may need 100 percent of the pretax benefit to live on,” explained Mark Blocker, broker for the SVS Affinity Program. “This is the biggest issue members face, in deciding on a disability insurance plan.”

Federal and state taxes could reduce a $300,000 annual benefit through a group or employer-paid plan by $144,000 (40 percent federal rate and 8 percent state tax rate). “Now the surgeon is down to just $156,000, or $13,050 a month,” Blocker said.

He also stressed the importance of a policy clearly defining and covering a vascular surgeon as such a surgeon. “Your income is then protected as a ‘vascular surgeon,’ with no other income offsets to reduce the benefit. You are paid if you cannot perform surgery.”

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