You have studied and trained for years to build your skill in your physician specialty. Your practice and your income grow along with your record of strong patient outcomes and reputation, from a low level as a resident to a very high level as an expert.

Then suddenly, you can no longer practice that specialty. Injury has affected your ability to operate, or some neurological condition affects other skills. You can still practice medicine but not in that specialty, and your income drops accordingly.

This could be a disaster for physicians who are still paying off debt, but that income at its highest level can be protected with the right type of disability insurance, according to J. Michael Hegwood. He is assistant vice president of brokerage marketing of AMA Insurance, an American Medical Association subsidiary.

“We felt it was important to create more flexibility within our disability program and introduced new coverage options earlier this summer,” Hegwood said. “This coverage is available from AMA Insurance and is underwritten by New York Life Insurance, and the added flexibility can be particularly valuable for young physicians.”

“Young physicians have different needs than midcareer physicians who may have paid off medical education debts,” Hegwood said. The new policy “can be tailored to their particular situation and income levels” and linked to the income of the physician’s specialty.

“As a cardiologist, for instance, you might go from making $60,000 as a resident to earning $400,000 in practice. That ability to earn a living as a physician, in this case as a cardiologist, is extremely valuable and should be insured,” said Hegwood.

Learn more from AMA Insurance about disability income insurance for physicians.
How disability insurance policies differ

Not all disability insurance policies are alike, and some are not necessarily tailored specifically to physicians. Plus, traditional group disability insurance provided by many employers won’t always cover specialty levels of income, Hegwood explained.

Physicians employed by a corporate health system may be offered group disability insurance, which can help protect some income, but typically isn’t designed to cover the higher compensation of a specialist.

Most physicians need something more that tracks their expenses and income into the future, Hegwood explained. Most medical students “incur significant debt, with the average approaching $200,000. But as you move into practice, your income is likely to increase significantly.”

The new coverage options we introduced allow physicians to customize their insurance to their specialties and income levels, while also aligning with their budget, Hegwood explained.

“AMA Insurance puts young physicians in control of their disability coverage,” he added. “Rather than settling for what’s available, they can design a plan that meets their specific needs and their budget. The flexible premium structure of the AMA-sponsored Disability Income Insurance Program can help physicians on tight budgets as well as those looking for rates designed to stay the same over the life of the plan.”

The coverage also features a new “true own-specialty” definition of disability that allows physicians to protect the income they earn in their specialty even if they decide to work in another medical field.

Automatic increase option

The AMA Insurance plan also allows the insured to increase disability coverage as the physician’s income rises, without medical underwriting—meaning the insured can increase coverage regardless of their future health situation.

“This can be an especially attractive feature for young physicians who have not yet reached their peak earnings potential. As you transition from residency to practice, an ‘increase option’ in your disability contract provides an effective way to increase your coverage, commensurate with your higher income as a practicing physician,” Hegwood said.

Learn with the AMA about four disability insurance details that physicians often overlook.