

Anjali: [00:06](#) Hi everyone. Thanks for tuning into today's episode of Money Checkup where we take a deep dive into matters related to money, business and personal finance. I'm your host, Anjali Jariwala, CPA and Certified Financial Planner. Today my guest is Stephanie Pearson. Stephanie is a board certified Ob Gyn and an advocate and advisor for physicians disability insurance. She actually grew up in southern New Jersey and received her BS from Emory and her MD from Drexel University. She has a really interesting story of how she transitioned from medicine to being a disability insurance provider. Stephanie, welcome to the show.

Stephanie: [00:55](#) Hi, thanks for having me.

Anjali: [00:57](#) So I'd love for you to tell our listeners your story because I think it's really, really interesting and fascinating and I'd love for them to have a little bit more insight on your background and your transition.

Stephanie: [01:09](#) Okay. So no physician wants to be that exciting case. Uh, however, as Anjali noted, I am an ob Gyn by training and unfortunately I was kicked in the shoulder during a difficult patient delivery and she just got me in the right spot and I ended up with a torn labrum in my shoulder that should have healed but it didn't. I developed a frozen shoulder, I had to have surgery and unfortunately my recovery was not as expected and I have considerable range of motion deficits and nerve damage and have not been cleared to practice ob or operate. And actually this past weekend was my five and a half year mark out of clinical medicine and I kind of fell into this role really out of a sense of feeling as though I had not been properly educated. I didn't have anybody advocating for me. And quite honestly most of my friends were asking me to review their policies because I thought that I did everything right. And unfortunately, unbeknownst to me, our group benefit in fine print didn't cover work related injuries. And so I was denied and told I would have been better off if I fell off my bike. I did have a private policy that I bought as an attending, but found out that I had not really kept up with my coverage and so made a few mistakes along the way out of sheer ignorance. However, I still say I was lucky that I had it. It kept us from losing our house and you might be thinking, well, you got hurt at work, so there's a workman's comp component. Interestingly enough, I was initially denied my workmen's com because they said that while an injury occurred, my frozen shoulder was idiopathic or my fault because I continue to work while injured, which is true as most physicians would probably agree with me. It's what we do. We figure out how to get to work. We don't have sick days. People

would have laughed at me if I said I wasn't coming to work because my shoulder hurt and I figured out how to compensate until I really couldn't compensate. And my last day of clinical work, I actually cried at the OR table and had to call one of my partners in because I physically could not get my arm to do what I needed to do. And at that point I realized that ethically I had to stop. I did not want to be in a position where I could hurt somebody. And so that was the beginning of the end and I ended up having a 14 month lawsuit for Workman's comp. And quite honestly I settled because I was just exhausted and wanted it to be over. And so I did get something from Workman's comp, but not nearly what I would think I should have gotten a and realizing all of the hoops that I went through, I realized the only way to ethically review my friends policies was to either become a broker or a lawyer. And the thought of becoming a lawyer, going back to law school accruing more debt, didn't seem like a good idea. So here I am. So I have become a true broker in the sense that I consider myself Switzerland. I am instead with any particular carriers. I truly want what's best for an individual client.

Anjali: [05:21](#) Wow, that's an amazing story. And you know, unfortunate that you had to go through that, but great that you can take that experience and help other people. And specifically physicians make better financial decisions when it comes to their insurance and their coverage. So why don't we start with the basics because I think you had a lot of good tidbits in your story. In your words, why is disability insurance so important?

Stephanie: [05:51](#) It sounds trite, but our biggest asset is our ability to earn income and disability insurance at its root is income protection. And most of us have health insurance. If we own cars, we have car insurance homes, you have Homeowner's or renter's insurance. And we tend not to think about the fact that our ability to earn money needs to be in short. And I think that at least within the physician space, it's really not something that we're taught and I think it is of the utmost important to realize that this is in fact a big, big deal. And to find out that your last paycheck is your last paycheck would be an issue for the majority of us.

Anjali: [06:55](#) Right. I usually tell my clients that the biggest risk that I usually see for them, especially if they're physicians or other high income earners and even have been if they're not high income earners, is disability. Because especially if you've gone through a lot of training, you've accumulated that debt to get to where you are today and that something like an injury occurs and you can no longer perform in that job role, that that will have a

pretty detrimental impact on your quality of life going forward. So I think it's, it's definitely very important and, and you're kind of living proof of what happens when that piece is not properly insured.

Stephanie: [07:33](#) Agreed. I would be in a different financial position right now had I been fully insured. But thankfully I had a spouse who had the type of job that he could work more and earn more. So we were okay financially. But I really think that this is one piece of financial health that just gets overlooked a lot.

Anjali: [08:02](#) Agreed. So let's switch modes in and talk about physicians specifically cause I think that the disability insurance for physicians can be a bit more involved and there's a lot of moving pieces. So I'd love for you to walk through what you think are important features that a disability policy should have for physicians.

Stephanie: [08:24](#) So I'm going to take one little step back in that. When we talk about disability insurance specifically for physicians, we're talking about two potential different things and that there's group disability insurance and private disability insurance. So I do want to focus on the private side for now. If you want to loop back to a group, we can certainly do that.

Anjali: [08:48](#) Yes, let's do that. So let's focus on private and then we'll circle back to group because I think that's an important topic to because I think a lot of people who rely on their group policy and that may not be in their best interest.

Stephanie: [09:01](#) True. I am living proof of that one. Right. When we talk about private coverage, one thing to note, there is no standardization of language in insurance like there is in medicine and part of me thinks it is to keep people a little bit confused. So carriers, sometimes we'll use the same words and have different definitions or they'll have different words and the same definitions and so one of the overarching issues that physicians will hear over and over again is you need it to be specialty specific, own occupation and there are different terms for that. But ultimately what that means and why it's so important is you want to be covered for what it is you do day in and day out. And if you can't do that, that you would be considered totally disabled regardless if you're gainfully employed in another occupation. And sometimes part of that can get modified in that. Something may be own occupation for a period of time and then switch to any occupation. It may be that the definition of total disability says you have to both be unable to do your job and not gainfully employed. And so what you really want to look

for is what I would say is a true own occupation policy, both by definition of occupation and total disability. So again, you're covered for what it is you do day in and day out and you would be considered disabled regardless if you're gainfully employed in another occupation.

Anjali: [11:04](#)

And I think that's a really great point and it's something that we made the mistake on or more so my husband, and he didn't know this, but he got his policy in place when he was a resident and it was an agent that was kind of sitting in the hospital lounge giving people their policies and it ended up being an any occupation policy, which didn't cover his specialty. So it's what you are talking about that he'd only get paid out if he couldn't perform any job. And so we didn't realize it until I started doing financial planning and I said, you know, we should really look at your policy and realize that, oh, this is kind of a terrible policy. So we ended up having to put a lot of money just to make it an appropriate policy. And it's unfortunate because if, if he had gotten the right policy right from the start, we would be paying much less in premiums than we now, especially sitting in California, which we'll talk about later as well.

Stephanie: [11:57](#)

Agreed. And it shows how much we don't know, right? There was somebody sitting in the lounge going over information that most of us don't really understand. It's not in our wheelhouse and we want everyone to trust us. So I think that there's this inherent bias that we trust the people coming to talk to us. And part of why I'm doing what I'm doing now is because that educational piece is so important to me. And I really want people to understand what lives in these policies, what they're getting, what they're not getting. Because sometimes that's just as if not more important. So you guys learned the hard way and I'm right there with that.

Anjali: [12:46](#)

So which is great that you're, you're there to, to help educated and hope you have more people to have good policies from the start or at get policies when they're younger and whatnot. Any other kind of features or writers you usually want to see in a private policy for physician?

Stephanie: [13:04](#)

Yes. So the writers are the pieces of the puzzle that make it complete. So going back to the differing in language, there is a piece of the puzzle that goes by different names, but essentially is a pool of money that we can access moving forward as your income goes up, if you change jobs and have a different group benefit that we can access without additional medical information. So why is that important? Well part of every application process is something called medical underwriting.

It's incredibly intrusive. You may have to give a urine sample blood sample. You definitely have to answer a million medical questions a million times and they will look back in your pharmacy records. I sometimes joke, not really, but there really are no secrets from insurance companies. It's quite amazing how knowledgeable they can get with our histories. And so the goal is to go through medical underwriting once and never have to give that information again. So again, the younger, the healthier that you are, the better that piece of the puzzle will be for you moving forward. And then there are smaller pieces of the puzzle. So there's something called a partial or residual benefit, which is a benefit that kicks in if you have to go part time. So part time by injury or illness, not by choice. A physician says to you, look, you can do your job but maybe you shouldn't take call, maybe you can't work weekends, maybe five full days doesn't work. So think things that cause fatigue. So MS, other autoimmune diseases, early degenerative diseases, post-concussive states, things where it's not a, you wake up one day and can't do your job. And I will add that there are more partial or residual claims filed every year than total claims. So I think that one's super important. There is something called a catastrophic benefit, which is exactly what it sounds like. So in the event that you are left unable to perform two or more of your activities of daily living without assistance or you're severely cognitively impaired, you would get an additional benefit. So we're talking about things like strokes, traumatic brain injuries et cetera. Now I will say that's not offered in every state. So some are state dependent. There is something called a cost of living adjustment. or COLA, which is supposed to be inflationary protection. So dollar today isn't what a dollar 10 years from now would be. That kicks in when you go on claim. So you're sick or injured, they're paying you as you hit your anniversary, your benefit will go up based on the language in the policy. Again, there are different definitions. Some have a straight percentage, some give you a range, some have simple interest components, some have compounded interest components. So it's important to realize that they're not created equally. And I will say that some of the carriers make you purchase the right language and some it's built in. And I think that's another thing where people will sometimes get confused because they'll hear that their friend has an own occupation policy with a certain carrier. How come there's isn't and again it has to do with what some of the carriers have you do is add on pieces and the biggest difference right now amongst the carriers has to do with how they treat mental health and substance abuse currently, and this is for most states, I'll address California in a second, but most states there are two carriers that will only cover mental health for two years.

There are two carriers that depending on what kind of doctor you are and what state you live in, may cover you for the life of the policy as a carrier where it's two years per episode instead of a two year aggregate and there's one company that has made themselves unique in, they're the only carrier currently to offer a choice. They're basic language has a two year benefit. They allow you to purchase unlimited coverage. Unfortunately, they currently do not write business in New York or California, so that's one difference. Another difference is for some reason there is one company that has the monopoly in California, so there's only one company in the state of California that currently offers unlimited mental health coverage, so that again, folks in California are not necessarily looking at the same products as folks in other states.

Anjali: [18:47](#)

Right, and that's a really good point and I think, I think you addressed a lot of really good points and I've been looking at these policies for awhile, but I, I have to admit, the first time I sat down and looked at these and then talk to agents about what needs to be in place, it, it can be very overwhelming. So for someone in training who's already working a ton, who's distracted by getting through their training and starting to work, it's really important to have someone that you can trust to really walk you through all of these pieces and make sure that you're being insured correctly for, for your specialty and that the appropriate writers are in place. Especially things like the partial disability, I think is really important that people tend to overlook. I know working with a lot of physicians who are 1099 their, their compensation is based on the number of shifts that they're taking or our views or something that's very based on output. So if, if you can't work those shifts anymore and you have to cut that down by half, that can be a substantial impact to your income that if you don't have that writer in place, you know, you, you could be looking at only half the income that you're currently making, which can be very unfortunate and have a material impact on your lifestyle, especially if you're supporting a family and have children and don't necessarily have a spouse that can make up the difference.

Stephanie: [20:07](#)

Exactly.

Anjali: [20:09](#)

So another question that comes up a lot is how much income can someone insure? And the other side of that, based on how much income can someone insure, how much income should someone insure.

Stephanie: [20:23](#)

So that's a little bit of a loaded question that I get almost every day. And there's two kinds of answers to that. So first is how

much can you insure different whether you're in training or an attending when you are a resident or fellow. The carriers all have what's called a resident package and so everyone qualifies for the same amount. Okay? They don't look at how much money are you making. They don't look at what kind of doctor you are. If you're in training, you qualify for x. Once you become an attending, the algorithm changes and every carrier has an internal algorithm that takes into account how much money do you make, what benefits are you getting and who's paying for them, and they will spit out a new number. The way that I like to look at it is the goal is to try to get as close to 60 to 70% of your gross income covered. Because one of the things that we didn't talk about was the fact that private policies, because you're purchasing it with post tax dollars, comes to you tax free. So when people talk about what their salaries are, what their incomes are, we're usually talking in gross pretax dollars. And with private insurance we're talking about tax free dollars. So that's the answer to the how much can you insure. Now the answer to how much should you insure is very house dependent. I personally wish that I had been maximally insured. Is that right for everybody? Probably not. If you have a double income household, you may have different needs. If you are without children, with children, things change. And so what I tend to say to folks is look, you need to look at what are your fixed monthly costs and honestly add about 20 to 30% and the reason I say that again is because I'm living it and things that we had never thought about, we had to deal with after my shoulder injury in that. And I get this is a little bit of Hashtag first world problems real and who we are and what we planned for. So I couldn't reach the microwave, I couldn't reach above my sink. So there were things I couldn't do. So we had to get a housekeeper, we have two big dogs. I couldn't handle getting pulled, so we had to hire a dog walker. And I get that. This sounds a little bit pretentious and I don't mean it to, these are real things that happen and so there are potential added home health care costs or child childcare costs. At the time, my youngest was four and I needed help so we had to increase our nanny's hours. And so I think that saying look at your fixed income is a little short, but I think if you add a little bit to that, then you each have to look at what are you bringing to the table financially and what would happen if you couldn't do that anymore. And that's the, you know, how much should each individual have. I also would like to touch on the fact that one of the things I hear a lot is, well the primary breadwinner should be the one who's insured now to be the bearer of bad news. We all know what the divorce statistics are and unfortunately people sometimes expire earlier than we anticipate. So I'm not a big fan of only one person in a household being covered. I

think that both people should have their foot in the door with that ability to get more later in the event that for a multitude of reasons they would find themselves single. So even though I guess the takeaway is even though you qualify for x, you don't necessarily have to purchase x, but I do think that it's a very individual household decision.

Anjali:

[25:20](#)

Yeah. I think you touched upon a lot of good points here and appreciate your honesty because I think a lot of that, the expenses that came up for you, most people wouldn't think about and you know as an advisor and the other side of it, that's a question I get is how much do I need? And I get push back, especially from my California clients because disability insurance here is just really expensive. So anytime we're exercising that future increase option, the same question comes back is like, do I really need this? And we do spend time looking at their expenses, figuring out if that income went away, is there enough with what they currently have with spouses income that they would be okay and that usually helps. But I think you bring up a lot of important points that this is probably one area that it's not good to be cheap on. There's other costs that you may want to cut back on, but this is one that you really want to make sure you're adequately covered and may have to spend a little more to do so. But it's, it's important to cover that risk because it could be pretty detrimental if you don't.

Stephanie:

[26:25](#)

And one thing I would like to add, which has also come up in the last few months, is some of the carriers have specific rules about those future increases. Some of the carriers you can take advantage of an increase or not and there's no penalty because you're already paying for the right to access that money. There are a couple of carriers where that increase is built into the policy and you have to take a specific percentage of what you qualify for. In order to maintain that ability moving forward. I just had a woman this week who didn't take advantage of that increase last year and had not been adequately advised and unfortunately now she has a medical issue and it's going to preclude her from getting more in the future because once that benefit falls off you have to start all over with a new policy for additional monies. And my heart kind of broke for her.

Anjali:

[27:45](#)

Yeah, that's so unfortunate. And showing how these policies and carriers can be overly complicated so you really need an expert to to help you dissect all of the provisions at the policy has. Yeah. So just to deviate a little bit, something you and I have talked about before is then I'll take myself as an example. You know I have a two and a half year old and I had a C section.

So what happens with the, you know, if you tried to get disability after you've had a C section.

Stephanie: [28:13](#)

So interestingly, women's health, not surprising, I'm an ob Gyn has been one of my issues to take on with some of the carriers in that. Prior to me entering the space C-sections, we're viewed as an abnormal outcome of pregnancy and if you had had a C section, there was an automatic pregnancy exclusion. Now I had a section because my first was breach and it's standard of care, so I tried to tackle that with the six a traditional carriers and honestly right now I have four of them that are willing to look at why people have had C sections and I can now get folks pregnancy coverage. They just won't cover complications of C-sections, but at least I think that's fair.

Anjali: [29:11](#)

Yes. When you told me that the first time I was kind of distraught and I thought it was horrible. I like that you can just completely rule out pregnancy because someone had a c section. I mean it's, it's pretty terrible. I'm glad you were able to kind of fight the good causes in that respect. I wanted you to be able to highlight that because I think a lot of women who are thinking about having a family, that's why a lot of this stuff you've mentioned is so important and getting kind of those coverages and things in place because you just don't know what's going to happen in the future. And you want to be in an unfortunate situation where a carrier is just blanketing, giving you coverages in certain situations because of of something like a C section or whatnot.

Stephanie: [29:50](#)

And to add to that for women, miscarriages, infertility workups, just seeing a reproductive endocrinologist, if they're coding infertility or anything related to pregnancy outcomes, they look for reasons not to cover. So I will say, sorry guys, but for women absolutely need to get this in place before they try to get pregnant the first time.

Anjali: [30:24](#)

That's a really good point. And hopefully for the women listening that, if nothing else that to the tidbit to take away from this is coming from an ob Gyn. So I think that's so crucial and so important. So I'm glad we were able to talk about that. Some people are aware that there's highly likelihood of up not getting the coverage you need because of things that are kind of out of control for you and it's an emotional time on top of that. So then to be shafted, I will say, oh, it's really, really unfortunate, but it is what it is currently.

Stephanie: [30:56](#)

Right.

Anjali: [30:58](#) So we've kind of touched upon this already in terms of timing. So you know when is the right time for someone to obtain disability insurance?

Stephanie: [31:06](#) So I would argue that the youngest, that you are the healthiest that you are, which for most of us is in training one, you're young, you're healthy two. There are many discounts available through residency and fellowship training programs that don't exist. Once you become an attending, again, you can qualify for a lot of folks. You'll actually qualify for more as a resident or fellow. Even then as an attending. Going back to how that algorithm changes, and I'll tell you it was a mistake that I made. I didn't know about this as a resident. I got it as a first year attending and in my first policy I didn't qualify for as much as I would have as a resident and it was more expensive. So you know, I really think if you're looking over the long course of your career, you're going to end up saving more over the long run if you get this in training. I will say that currently there's one caveat to that, and again it relates to women. There is one carrier that has a potential better discount as an attending than it does as a trainee, but it's just applicable to women. It doesn't the men out there. And the problem is a lot of us during residency don't know where we're going to end up and I don't want to see people waiting. But there is a potential as you finish training and moved to attending hood that the policy that you purchased, there may be a cheaper option out there. And this again goes back to part of why I'm doing what I'm doing in that I make sure that we touch our clients twice a year at least to make sure that we're keeping up with life changes, job changes, moves, et Cetera, to make sure that we're doing the right thing by the right person.

Anjali: [33:28](#) That's great. And I think another important point is when you mentioned that you'll save more money over the long run, I think that maybe you don't realize that when you're just finishing up training, but for working with a lot of physicians who are kind of 10 to 15 years out, it does become a material number. So if you were able to lock in that lower price point early on, it's much palatable to do those increase options when they come to or to increase coverage to the adequate amount because it financially won't feel as much of a burden as if you were to get it a few years out and dealing with a lot of other things in which, especially if you're in a state like California, like we'll talk about, it can be much more expensive. And my husband and I are living proof of that because we had to increase an injustice policy after we moved to California. And I knew what the premium would have been if we had done it in Chicago. And it made me pretty to say the least, but you know,

we needed to get it done. So we did. But uh, it can be very frustrating on the other side of it when you're looking back and realizing that, oh look at these mistakes I made and I wish someone had told us or looked at it earlier too to help us get it in order. So we're not paying a lot more. But it is what it is.

Stephanie: [34:47](#)

No, I hear Ya.

Anjali: [34:48](#)

So we also touched upon this one, but I think it's helpful for our listeners to understand the nuances of private policy, private disability insurance versus a group policy. So I would love to get your thoughts on that in and why someone may not want to necessarily rely on their group policy.

Stephanie: [35:08](#)

So there are a few things that come up when we talk about group policies and that also kind of comes in two flavors. You have employer benefits and potential association benefits and by association I mean the American Academy of fill in the blank. Every sub specialty has a board and we've been taught through our education that these boards are supposed to have our best interests at hand. I have found that those policies are quite inferior and that those folks are traditionally getting paid to bless the policies that their blessing. So I don't spend a ton of time talking about association policies. When we talk about employer group benefits, they too come in two flavors. You have employer paid group policies and employee, paid group policies and the overwhelming majority are employer paid. So I'm going to focus on that. And there are three things that we run into time and time again. One and some of this will be review. I've said previously, if your employer's paying for your benefit, that benefit is going to come to you as taxable income. Whereas a private policy is tax free. Big Difference between money. That's getting taxed and money that's not getting taxed. Number two, employer paid group benefits tend to live with said employer. So if and when it's time for you to move on, whatever they've given you stays with them. Whereas a private policy is portable, it's yours, keep it on your computer, put it in your sock drawer, whatever it goes with your ever you go. The most important difference though has to come down to language. They have to be cheaper policies by design, your employer's paying for it, they have to offer it to everybody. It can't break the bank. Well, where they save the most hurts us the most because it's in those definitions of own occupation, total disability, and they can throw in a whole bunch of stuff that they're just not going to cover. And you know, I mentioned for mine they didn't cover work related injuries, which was crazy to me. And while I admit it's the exception to the rule, I see probably 10 to 20% of group benefits coming across my

desk have that in there. The carriers have gotten really creative about what they're going to limit. There's a new grouping of illnesses that they consider subjective illnesses, headaches, fatigue, pain, things that potentially don't have objective test findings. I've seen a few recently where they limit musculoskeletal issues, which is a big one. I mean that's a big reason that docs come out of practice and they don't have to tell us all of this stuff. It's usually embedded in a 30 to 80 page document that's full of legalees that no one's gonna read until you need it. And so we've seen that again, it might be own occupation for a few years and then switched to any occupation. It may be own occupation, but by the national economy, which is an interesting blanket.

Anjali: [39:10](#)

I have not seen that one. What? What is that?

Stephanie: [39:12](#)

Well, basically you can say, I'll use myself, so I'm an ob Gyn. Ob Gyn can wear a few different hats and can practice different models. If it's own occupation to the national economy, they get to hold you up against quote that average ob Gyn. It's not specific to your job at your specific location. So it gives the companies this wide net to say that you should be able to do x, y, z. And so I find that really disheartening, that's interesting. Most group benefits, if you find gainful employment, they get to decrease the benefit that they're paying out. And I would say in doing the amount of disabled physician outreach that I do, most physicians will try to figure out some other way to be productive to have gainful employment, if for no other reason to get out of the house.

Anjali: [40:30](#)

Right.

Stephanie: [40:31](#)

You know, there's kind of a joke in my house that I used to say I'd give my left arm to be home with my kids more. I gave my left shoulder to be home with my kids more and after about six weeks I was done. I think that most I have the utmost respect for stay at home parents the utmost. I don't know how they do it. I would venture to say in a generalization that most type A highly educated, highly skilled folks are not bent to stay home and not be productive. So, you know, that's a big issue. And I would say the last thing is there is often a misunderstanding of how much coverage do they have and what are they covering. And by that I mean there are a large proportion of group benefits that cover your base salary. And in fine print it'll say does not cover bonuses, overages, et Cetera. And that's a big deal because a specifically, a lot of the big university structures, their payment model can be three or four tiered. And when folks think that 60% of my income is getting covered, it's not at

60% of your base, which may be a very small number. And I just picked 60% because that's a common one, but it may be 50 it may be 70 additionally, there's often a cap. So people will think, well, 60% of my income is covered. And then I will point out, we'll know it's 60% of your base to a maximum benefit of \$8,000 \$10,000 I've seen it as low as \$2,000 and people are shocked. But again, it goes back to what we're told, right? It's usually one line on open enrollment and you check a box and it very well may say x percent to a specific number. But most of us don't pay attention to it. Right? But they don't even have to, it can just say longterm disability insurance and you check a box and without the master policy you have no idea what you're really signing up for. And for most employer benefits, it's automatic. You can't help it.

Anjali: [43:11](#)

You can't opt out. And what's interesting because I do all the employee benefit reviews from my clients, is just to be able to get a copy of then master disability policy can be so burdensome. I mean it's, it's such a run around just to get that copy. And I was like, this is kind of ridiculous because I needed to be able to look at the policy or send it to someone like you to see what the coverages are. And they don't make it very easy to do. So I think the other interesting point you bring up, which I always like to highlight the tax implications is that if it's employer paid that is taxable to you, and most of those group policies are capped in the amounts that you've said. I, I usually see 60% capped at. You know, \$10,000 a month. And so if that was the only thing you are relying on, it's only going to pay you 60% if you're actually going to get that amount and that is all going to be taxable. So the net amount that you'll actually be bringing home can be significantly less. So that's something to really keep in mind when you're looking at these group policies and if you're trying to make that determination to only rely on that.

Stephanie: [44:13](#)

Right. And that, jumping on what you said, honestly, getting these master copies is sometimes the hardest part of my client's journey in this process. It's multiple phone calls. People don't know what you're talking about, or the company doesn't want to send it, which then you know you can extrapolate that should you really need it. How hard is it going to be to get it

Anjali: [44:40](#)

Right. It's such an important point. And if it's required, meaning you can't opt out and you have a private policy, the ability to increase the amount on your private policy will be limited because they're going to look at that group coverage that's in place. So that's another issue that I've seen come up working

with clients when we're trying our best to max it out. And we can't because we can't opt out of the group one.

Stephanie: [45:05](#)

Right. Or like the mistake I made, which was I thought I would have the group benefit. I didn't keep pace with my income because I thought that that would be there if I needed it. Right. Already shared it was not super important.

Anjali: [45:23](#)

Yes. So let's come back to California. The state, they like to do everything differently. And you know, now my California residents, I can't complain that much, but I love that, you know, and it's not just in disability, there's just so many things where I was like, eh. And that applies, but not in California. We like to be our own island over here. So let's talk through California disability in California and what people should keep in mind if they're either practicing here or maybe they're training outside of California and planning to move into this state.

Stephanie: [45:55](#)

Okay, so first thing first, anybody listening who was training outside of California and plans on moving to California, please get your policies before you move. So that's number one. Number two, California is an interesting place when it comes to insurance and I almost always start my conversations with Californians that if they're comparing notes with colleagues, they should really just do it with other Californians. And the reason is that there are different rules and regulations in the state that actually make it harder for insurance companies to get new products on the market. And currently, like I'd mentioned before, there's only one company that will offer full mental health and substance abuse coverage. Not Surprising. There are exorbitantly expensive, they have the monopoly. One of the carriers that will traditionally cover folks everywhere else has a two year benefit in California. So that's one big piece or two. That catastrophic benefit that I mentioned earlier. There are only two companies that offer that benefit in the state of California. Additionally, some one of the companies that residual or partial benefit, it's built in so you don't have a choice, which I kind of feel okay about cause I do think everyone should have it. But again it's a product design difference between states. And lastly there's one company which will come up where folks will say, oh, but I heard they don't do own occupation in California. So there is one company that depending on what kind of physician you are will offer either the true own occupation language or they revert to something called transitional language. And honestly it depends on where someone is in their career as to where my recommendations fall. What the transitional language says is you're considered totally disabled in the event that you cannot do your job

regardless if you're gainfully employed in another occupation. But it adds the phrase until you make your pre disability earnings. So it's basically

Anjali: [48:43](#)

Oh interesting.

Stephanie: [48:44](#)

with a ceiling. Right? If I'm talking to a resident or a fellow, I don't love it. Right? Because they're making 50 \$60,000 I have had residents who have had horrible illnesses befall them or accidents that have gone on claim before they've even become attendings. In that situation, the companies are only responsible until you find another job that can make that income. Whereas if I'm speaking to somebody who is experienced is making a half a million dollars a year, that language may not be so significant. Right. There aren't that many things that we can do outside of medicine that are gonna make us that kind of income. Right. Though that's one piece that truly is specific to California. I want to say in Vermont too that don't hold me to that.

Anjali: [49:50](#)

Okay, no worries. No, that's very important. That's good information to know

Stephanie: [49:56](#)

and unfortunately it is more expensive. So

Anjali: [49:59](#)

yes, you know we learned that the hard way because we had to do our adjustments here instead of in Chicago and so I think it was about 25 to 30% higher.

Stephanie: [50:10](#)

And there are a couple other states that have interesting nuances. Texas, some of the discounts are different. Connecticut, Massachusetts, New Jersey, so they really are state specific

Anjali: [50:26](#)

and I think that's why it like anyone who's looking at getting disability insurance, especially if you're a physician, I think it's really important to find a provider who focuses and specializes in this area that I definitely don't think a general insurance salesman would know all of these nuances and this is something that could impact your life. So really making sure that you're getting the policy in place with the right person who's knowledgeable, smart, competent, and such as Stephanie, so that you're making sure that you're being well educated, you know exactly what you're paying for.

Stephanie: [51:03](#)

There are really good insurance people out there. I'm definitely not the only one, but I personally feel that part of the reason why. Scott and I, Scott's my partner. The reason that I focus on

disability and life is because we really want to be experts at those pieces and we leave the financial planning, advising to other experts like yourself because I truly do feel like it's so hard with all of the different rules and regulations to be great at everything.

Anjali: [51:44](#)

Right. Which is why I use people like you led and we have disability needs come up for clients because I don't know all of this stuff. I have a good basic understanding but I'm never going to be to the same level like someone like you is because I don't spend my days in and out, you know, looking at this type of stuff. So I think that's where having someone with subject matter expertise, this is really crucial. And in terms of making sure you're getting the right coverage for yourself.

Stephanie: [52:14](#)

Okay.

Anjali: [52:16](#)

So I always like to wrap up with a few personal questions as my listeners know. So the first one is what's one financial goal that you're currently working towards?

Stephanie: [52:25](#)

My husband and I would like to have my student loans paid off by the end of this calendar year. It is something that has been weighing on me since I got hurt and while the interest rate is not terrible, the emotional component of it is uh, a big deal. So I am hoping that I can post my zero zero zero by the end of the year.

Anjali: [52:53](#)

That's great.

Stephanie: [52:53](#)

We're on track.

Anjali: [52:54](#)

That's it. A lot of a lot of physicians I think are in similar situations and so I know that's always a big accomplishment when that debt can be paid off. We might have this kind of a, it's an of a source of pain point for me for my husband because it's a pretty low right, but it's just like an annoying, annoying type of loan that's sitting out there and we've made a few mistakes on that end. I'll, I'll need to get off the student loan expert to talk about that. But he was pretty much close to qualifying for public service loan forgiveness and then we found out he was on the wrong type of loan and I did not know that until I became an advisor and my husband's like, oh well. I was like, no, it's, so we, we've made a lot of mistakes in our household as well. So which is why I want to make sure that clients don't make similar mistakes. And then I guess what's one

piece of it, financial advice, good or bad that you'd like to give our listeners?

- Stephanie: [53:46](#) I think for me it really is get people who are good at what they do to help you. And I know that seems loaded because how do you know it's ask around, you know, see why people are doing what they're doing. And I think making sure that you're getting the education that you should be getting and not just, you know, Bob says I should do this, so I'm doing this. I think that making sure that you have emergency funds in place is of the utmost importance and to really be one of the first things that you do in training out of training is making sure that you have at least three to six months of money somewhere that you can quickly access.
- Anjali: [54:40](#) That's great. I love that advice. So tell our listeners how they can learn more about you and reach out to you.
- Stephanie: [54:46](#) So I am incredibly accessible. My email is Stephanie at Pearson rabbits. Our website is Pearsonrabbits.com my office number is (610) 658-3251 and I have a LinkedIn profile under my name and my normal turnaround time is 24 to 72 hours.
- Anjali: [55:15](#) Perfect. And we'll also have all of Stephanie's information in the show notes, so if anyone is interested in reaching out to her, her website, her social media links, all of that information will be available so you can check it out. Well, thank you, Stephanie, for being on the podcast. This was really, really great and I hope our listeners got a lot of useful information out of it.
- Stephanie: [55:35](#) Thank you for having me and I look forward to our future workings together.
- Anjali: [55:40](#) Yes, definitely.
- Anjali: [55:43](#) Thanks for tuning in today. If you're interested in making better financial decisions and are considering working with the professional, please visit us at www.fitadvisors.com to schedule a free initial consultation.