

A Closer Look

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I recently had the privilege of being a speaker at the Florida Chiropractic Association (FCA) Fall Convention in Orlando, Florida. It was great! As part of my presentation, I did a review of a disability plan that is available to chiropractors. What I found was interesting and I shared it with those who attended my session in Florida. Since it affects all of you, I thought I would share the information here. No names will be mentioned to protect the innocent, but as always, if you drop me a stamped, self-addressed envelope, I will fill you in on all the details.

If you have been reading my articles for a while, you know that I am a believer in disability protection. I am also the person who got the insurance industry to lower their rates for chiropractors, and I have continued this battle. I recently wrote and obtained information on a "special" disability plan that is offered to the chiropractic community. Here is what I found. The rates that I will be showing you are for a 35-year-old male in good health. I have the rates for all ages, but I wanted this to be a fair "apples to apples" comparison.

This plan is for coverage that only runs for five years for a disability from an accident or a sickness. They do offer accident coverage that runs until age 65. I will be comparing just the five year coverage. They also offer various waiting periods, but for the sake of comparison, I will be showing you the 90-day waiting period. Their contract has a guarantee of occupation for two years. After that they state that the coverage will stay in affect if you are still under a doctor's care and unable to engage in any gainful occupation, and in fact not engaged in any occupation for wage or profit. They do include a residual benefit if it follows a period of total disability of at least 90 days or your waiting period, whichever is greater. They also include a cost of living adjustment that kicks in after you have been disabled for 24 months. It will adjust by four percent.

If you go back to work and suffer a recurrent disability after three months, you have to satisfy a new waiting period before benefits begin again. The rates increase every five years, and if you receive any benefits from social security or any other group disability policy, your benefits on their plan will be reduced so that your total benefit will never exceed 66 and 2/3 percent of your gross salary.

Now let's look at the premiums. If you are 35 and purchased a benefit of \$1,000 per month with a 90-day waiting period, your annual premium would be \$266.80. At age 40, the rate goes to \$445.00; age 45, \$621.00; age 50, \$754.60; age 55, \$915.40; and at age 60, \$1,192.20. If you kept this plan until age 65, your total premium outlay would be \$20,975, for an average premium of \$699.16.

I then took a look at an insurance company that is offering a good contract to chiropractors. It does offer long term coverage to age 65 for both accident and sickness, but I will use only their rates for five year coverage to keep the comparison even. By the way, their premium is a level premium and does not increase every five years. They do reserve the right to increase premiums, but to do so they must increase the premiums for everyone in their top classification. Their annual premium is \$194.90 versus \$266.80. Their total outlay to age 65 is \$5,847 versus \$20,975, a difference of \$15,128.

They do offer a few things the other plan does not. They do not offset benefits if you get social security or any other benefits. Their partial benefit does not have to follow a period of total disability, and if you suffer a recurrent disability and it occurs less than six months after you go back to work, you do not have to satisfy a new waiting period. This plan does not offer a cost of living rider.

There you have it. Two disability plans. One with a level premium of \$194.90, and the other with an average annual premium of \$699.16. Quite a difference. Quite a difference in benefits and definitions too. Which plan would you rather have? Which plan do you have? Are you sure?

Needless to say, the doctors who attended my session at the FCA were shocked by this information. Most think that one plan is just like any other plan, and a group plan will give you better rates. They don't think that way anymore. Maybe it's time you pulled out your contracts and dusted them off and gave them a going over. When is the best time to do this? Prior to a claim! Enough said?!

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