Sound Financial Bites 099 - The Basics of Disability Insurance
Part 2: Maximizing Your Benefits
Episode Transcription

> *"Unilateral means you put the contract in force and after it's in force, as long as you're doing what you're supposed to do, there is almost nothing the insurance company can do to get out of the provisions."*

Paul: Welcome to Sound Financial Bites, my name is Paul Adams. I am the CEO, and no longer the president, of Sound Financial Group, but the President of Sound Financial Group is here, producer of the show, brilliant, great looking, funny, and all around good guy, Cory Shepherd.

Cory: Oh, it is. Yes, alright, I like that. I don't always know if he's talking about me. Very good to be here, excited about part two of basics of disability insurance. Our prior episode, if you didn't get a chance to hear that one, was talking more on a philosophical side about what we're looking at, and protecting our income, and why it can be important for many hiring professionals. Today we're going to talk about some more of the nitty gritty, the specific provisions that you want to look for in any disability insurance you may already have, or if you're considering looking to acquire some for yourself.

Paul: If you missed the philosophical one, it is very easy. You ready? Can you take the hit? With any protection you might do, could you take the hit without the protection? If not you need to get that insurance, that protection, that legal document, whatever it is needs to be put in place to help you assure your future. If you haven't listened to that, that was the basis of it. We dig in a little deeper.

Cory: To start, Paul, there are some basic ways that a company offers a disability insurance contract, giving options to them and to you to change things in the future or not. We're talking specifically about the provisions that most folks want to have around being non-cancelable and guaranteed renewable. Would you talk about those for us?

Paul: Yes. To do so, I'm going to need to roll up my sleeves. These provisions, non-cancelable and guaranteed renewable, sound super boring. The reason they sound that way is because they're super boring. Let's think of it differently. You're about to sign a contract with a disability insurance policy. You're about to sign a contract with what is likely a multi-billion dollar institution. It really should be a multi-billion dollar institution.

Cory: It better, yeah. Sorry to mom-and-pop disability insurance companies.

Paul: You don't want that. If you're going to sign this contract, with an 800 pound gorilla, to go back to some old commercials that an insurance company had and they were the 800 pound gorilla, how tightly locked up do you want that 800 pound gorilla? Me personally, I want them locked up as tightly as I can. That's why you want a contract that's referred to as unilateral. Unilateral means you put the contract in force. After it's in force as long as you're doing what you're supposed to do, which is usually paying premiums and having told the truth on your application, you do those two things there is almost nothing the insurance company can do to get out of the provisions. That is key. That's part one.

Paul: Now, your group disability insurance doesn't work that way. Your group disability insurance gives them the ability to change premium amounts. It's an agreement with your employer. Usually a renewable annually, but in some cases could be changed with as little as 90 day notice to all policy holders, which may be the group itself if you're an affiliate group like, say, the American Medical Association, or if you are a group like an employer, they can change the rules on you. The contractual provisions we want of the non-cancelable, guaranteed renewables sounds like they can't cancel it and they must renew it every year. That's exactly what it means. Non-cancelable very specifically means they cannot change a dot on an I or a cross on a T on that contract, including its premiums. It needs to be non-cancelable, guaranteed renewable. The way they define disability, the way that they treat your premiums for the future, the way they're going to notify you of premiums, that contract is key.

Paul: The two things we look for, it needs to be a financially strong company and it needs to have the right contractual provisions. Guaranteed renewable means you can renew it every single year. What's important about that is what you do for the rest of your life, it's possible, it may not be exactly the same as you do now. If you decided to change occupations, you're currently a business executive and you decide to go open a business, well, sometimes it can be difficult for a brand new business owner to get disability insurance because they are chief cook and bottle washer, doing everything. Not every occupation that they're doing inside the business is the safest and it scares the insurance company. That new business owner may not be able to get insurance, but because you still had it as an executive and now you're going out and being a new business owner, you get to keep your disability insurance. That's key. That's what that guaranteed renewable means when it gets to each contract year, they must renew it.

"The contractual provisions we want of the non-cancelable guaranteed renewables sounds like they can't cancel it and they must renew it every year and that's exactly what it means."

Cory: My car insurance, because the rates can go up from year to year for no other reason than the company decides they need to change them, that's appointing to it being not a non-cancelable policy.

Paul: Yes. In this case, your car insurance company can cancel your coverage because you had claims.

Cory: It's not guaranteed renewable either.

Paul: That's right. Whereas a disability insurance company, if you went out on claim for five years and then you go back to work, as long as you pick up your premiums again when you're done with claim they'll just send you another billing notice to get back on your premiums. Then they have to give you coverage again. That's something people miss a lot.

Cory: I never thought about it that way. No car insurance company where you've just had five accidents in five days is going to let you keep your coverage, but disability insurance, even though you're now more likely to become disabled because you have been disabled-

Paul: Whatever sickness or injury caused it, yes.

Cory: -they don't have to enforce it. Right.

Paul: Which may be one important thing to consider. What does everybody think when they think about disability, Cory? What do you think they think is going to disable them?

Cory: I'm going to go skiing and fall down, or a car accident.

Paul: What does disability look like when it happens?

Cory: Things inside of us that we can't see until they manifest.

Paul: That's what it actually looks like, but what's it look like in somebody's minds eye while they're listening to the podcast?

Cory: They get in a wreck, or a wheelchair.

Paul: Wheelchair, yeah. They're just in a wheelchair. Everybody is just like, "Well, I just sit at my desk anyway. I can go ahead and do my job. No big deal." Maybe, maybe. Actually, anybody who thinks that I want to offer to you, not to be offensive, but I would offer to you-

Cory: Just offensive enough maybe.

Paul: Yeah, that's what I'm known for. If you've been a listener of the podcast I'll bring in some edgy stuff periodically, but I would challenge you. Go talk to somebody who is in a wheelchair. Ask them, "Isn't it pretty much just sitting down all the time, like I do at work?" If you were arrogant enough to actually say that to somebody in a wheelchair, I think you'd find out there is a great deal of other health, mental, and difficult challenges that come along with it. By the way, that's not what disables people. Most of the time, if you just google causes of disability you'll see that most of them are medical stuff you have no control over. If you were to say, "Well, I don't ever do anything dangerous accept drive my car, what's the big deal? All I do is sit here anyway," number one, what could disable you will be likely be, if you get disabled, something you couldn't have anticipated. It will be something most other people wouldn't notice. I'll just leave it at that, but you need to take off the table of how likely it is. That goes back to our last episode about the parachuter's paradox.

"Non-cancelable very specifically means they cannot change a dot on an "i" or a cross on a "t" on that contract including its premiums."

Cory: Next, we're talking about being disabled or what if you're disabled, so the next really important piece is what a disability insurance company uses to define whether or not you're disabled.

Paul: It's really good.

Cory: It's the definition of disability, and they use an occupation based definition. Largely, the rates of your disability insurance are based on what kind of occupation you have along with your health, but occupation is a big part of it. Accountants, a lot cheaper for disability insurance than almost anybody else. The two main types of definition are own occupation and any occupation. Now, Paul, imagine you had never heard of disability insurance before. If I say own occupation and any occupation, which one sounds more favorable?

Paul: I think own, because I'd rather own something than any something.

Cory: Yes, you're right.

Paul: That's the first thing that occurs to me.

Cory: Now, the other way you could ask it is, more favorable to whom? Own occupation is more favorable to the clients that we're typically working with. I'll use my wife as an example, and all of her cohort as physicians. The definitions of disability say own occupation means if you can't do the thing that we wrote down that you were doing when you applied for this policy, you are disabled. Even if you can do some other kind of work that's, say, lesser or not as involved. Now, any occupation says as long as you can do anything for which you have had reasonable training or experience-

Paul: You were a surgeon, or you led a surgical department. Your hands started shaking, super sorry about that, but we do know you can manage a Mcdonalds.

Cory: Or you could work the register at Mcdonalds. Let's say you had a hit to the head that you can't really even think quite as clear. No offense men, I think we can all agree that the cognitive load of a cash register anywhere versus the head of surgery is different. That's really important for anyone with a specialized occupation, but even us sitting here doing the work that we do, we're not using our hands like a surgeon. We're using our minds. Just a hit on the head probably brings my cognitive function down enough.

Paul: Something like, let's say I had a stroke. I couldn't enunciate as well or half my face is floppy, I could not engage visually with people. I couldn't do online meetings, I wouldn't be able to clearly communicate. I would be toast. One refinement I want to put on that, the own occupation, the way that it reads in the contract, this is key, this is what you want to look at ... If you have disability insurance right now and you're thinking about this, pause this video. Go get your disability insurance right now. Open it up to definition of disability.

"What you want is a contract that's so strong that the insurance company's own contractual provisions compel them to pay a claim in that circumstance."

Paul: Here's what you want to find there, is that you're looking for the definition of disability first. Definition of disability should say something to the effect of you are disabled if you are unable to do the major and substantial duties of your occupation. That's part one. Wait a second. There is something real important there. It said your occupation, how are they going to define it? They're going to say now you want to go to the definition of occupation. What you're looking for there is for it to read the duties that you are in, the role you are in, the job that you are in at the time of becoming disabled because there could be contracts out there that have to do specifically what you had when you applied.

Paul: You don't want that. Careers evolve. You may do different things. Somebody who is a physician today might be a doctor ending up as an executive for a large healthcare organization later on. That could impinge their ability to be protected. I've got one great example of this that actually happened to a colleague of mine when I was practicing in Las Vegas as an advisor. What happened was he'd insured somebody with really good disability insurance when they were the manager of the front desk ticket counter at an airline. That person went to work at the curb as a skycap, because back in those days when they all worked by tips in Las Vegas that was a very lucrative role. We had skycaps in Las Vegas back then making $150 to $200 a year. It was crazy. Tons of cash too. They didn't make that much in hourly wage but they literally pooled it, it was taxable, all that. Now they're no longer there. Lifted a bag too heavy. Severely hurt his back. Now disabled as a what?

Cory: Skycap.

Paul: Skycap. Disabled as a skycap. $5,000 dollar a month benefits started rolling in. Stick with me here. This person went back to managing the front desk at the airline. Now, this is rare. One, I wouldn't encourage anybody to do that but it's also not fraudulent. They didn't do this with that intent. They would have much rather stayed as a skycap making more money, but due to the injury they were disabled in their own occupation, defined as what they were doing at the time, and went back to be the manager at the front desk and continued to make their claim in disability. Now, here's why that's key. It's not key because we're not looking to have anybody fan-angle that system, but what you want is a contract that's so strong that the insurance company ... We'd all agree that person is probably fine just working the front desk and not getting a claim, but we want the companies that are strong enough where their own contractual provisions compel them to pay a claim in that circumstance.

Cory: Well, one piece that we haven't talked about in disability insurance is no disability insurance company will give you enough coverage to fully replace your income. They want some incentive for you to go back to work if you could. For a physician, say a surgeon gets disabled to the point where they can't do the surgery that they were performing before but they could still be a faculty member at a university teaching surgery. That's still probably an income drop. With this kind of disability insurance, they could be on full claim for their surgery practice and still earn some money somewhere else to bring them up to as close as possible to their income. Without that provision, many disability policies would actually reduce your benefit by the amount you earned anywhere else. You'd never be able to catch up. Own occupation, any occupation, really important to know what you're getting. Now, there are many moving pieces in disability insurance policies. Different companies may have different provisions unique to them.

"No disability insurance company will give you enough coverage to fully replace your income."

Cory: There are three big ones that we want to cover just as basic structure. The first is your monthly benefit. That's what you're buying. Life insurance, the benefit is what it would pay out if you died. Disability insurance is how much it pays every month if you're disabled. Second is elimination period, which is like your deductible. In health insurance, we usually have some kind of deductible which is dollars we have to pay before the insurance company kicks in. Disability insurance has that too, except it's time here not money. The longer your elimination period, the longer that time has to pass that you're disabled before the company will kick in, which means there is a better chance you might get better before they need to start paying claims. The longer that elimination period, usually the lower the cost of the policy.

Paul: We found most of the time that a 90 day period is the most pricing efficient. If you tried to get a 30 day elimination period, it's easily double the amount of premium. A 90 day period is X premium, and 180 day period will start saving you 5% on your total premium. Would it be okay if I just talked about, before we hit the next provision, what the cost you might want to expect?

Cory: That's great, yeah.

Paul: What we found is it depends on your health and it definitely depends on your occupation. I'm sorry to say that those of you watching our podcast who may have a very physically demanding job it's probably not real likely you're going to be looked at favorably. You can feel free to email us at info@sfgwa.com. We'll do our best to give you a sense of what it would look like just as a service to this video, but the best occupation to be able to insure, the professional office based, et cetera. If you're a professional skydiving instructor, you're out of luck. The total cost cashflow wise for you to be able to secure the disability insurance is probably going to be about 2%, maybe 3% of the amount of income you're protecting based upon you having some professional classification of disability insurance.

Cory: Perfect. We have a white paper out in Money, where humanity and hard numbers meet. The end of that white paper actually has a calculator to say how much would it cost to pay for disability insurance premiums versus how much would it cost me to self insure that risk, which is actually not really a statement that can be true but that's just a plug for the white paper. We're not going to go into that now, maybe a later episode. Monthly benefit is a key feature of your policy. Then there are two other features that relate to the monthly benefit, one that increases it before you're disabled and one that would increase it afterward. Inflation happens. The value of a dollar goes down over time. Things start to cost more over time. If you got a $5,000 a month disability benefit today and then got disabled 15 years from now, that doesn't buy quite as much as you thought it would.

Cory: Every company offers some kind of increase provision. They call it different things, but it's a provision that says each year the benefit you would get if you're disabled goes up by a little bit to keep up with inflation. Then there is also what's called some kind of future increase option, or a guaranteed insurability option that says okay based on your income today here's how much they're going to be able to give you. That's your monthly benefit. This increase option is like a well you can draw from. Next year when your income goes up, if it goes up by enough you can apply to the company to say, "Hey, I make more now. Take some of that potential benefit, that well, and tack it onto the one that I already have," so that you can increase your future benefits, but here's the key, without going through all that health qualification later.

Paul: Literally, a client of ours recently got insured a couple of years ago. We did a little bit of review. We're doing their three year vision, which is a practice that we're in, to give them a one page financial strategy. Like, "So, what's some of your three year?" She is now like, "Well, I should have my private pilots license by the end of the year, and I'd like to get a rebreather in certification to scuba dive at 300 feet of depth." The first thing I said is, "I'm glad we got all that insurance handled," but that kind of thing also is not impacted when you exercise one of these future increase options.

Cory: Someone might ask, "Well, if I haven't become disabled yet then it's not really a big deal, right?" I said, "Well, there is ... Life"-

Paul: One doctors note-

Cory: One skiing injury where your knee now hurts, that could make it harder to get any kind of new policy. Those are important.

Paul: Were you going to hit on cola, the inflation after you're disabled?

Cory: I just did. We did talk about that down the line.

Paul: Very good. The way I heard that was the increase ... There are the ones that have the automatic increase rider that increase when you're not disabled. Then you have the type of inflation that tacks on the policy after you're disabled that grows your benefit. My favorite example is meeting a doctor who had been disabled 15 years prior. You know why he was talking to me? It wasn't for planning. He was looking for a job because what he had in disability benefit 15 years ago had been significantly eroded by inflation. Now he's having a hard time paying his bills because his advisor showed him disability insurance with the inflation rider, and he was disabled just two years later. Basically I remember looking that guy in the eye and him saying, "There is no way I'm paying for that inflation rider. I don't think I'm going to get disabled

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anyway." That guy was a drunk driver, closed head injury. He just didn't have the cognitive capacity now to be a physician. That's it.

Cory: If you're going to do it at all, if you're going through the trouble of getting disability insurance, like we've said before, the fact that a company is offering you the policy right now means that they think there's about a 0% chance that you're going to get disabled anytime soon. By definition we're buying it now, expecting it might be for some time down the road. You've got to have that benefit keep up with inflation.

Paul: If there's a chance, for your own personal cashflow situation, you cannot get every contractual provision that's really important, own occupation, we're going to talk about, residual, in a minute, inflation, if you can't get all of those on your contract due to cashflow I would suggest to have a serious conversation with your agent or advisor about getting slightly less benefit but be properly protected with a slightly less benefit. If you're like, "I can't get the $15,000 a month with Mike," I would personally rather see our clients get $13,000 a month with the highest possible likelihood of paying in every given situation than $15,000 a month that now has some reasons why it might not pay simply because we didn't add all the provisions.

Cory: Paul, you mentioned residual, which is really the sensitivity threshold to the policy kicking on or off. Companies that have better residual provisions mean that they kick in sooner and keep paying longer. Some disability policies may require total loss of income. Some of the best residual riders that I've seen only require you to substantiate 15% loss of income. You picture a dentist in their private practice that had some kind of health issue crop up that just has them not be able to work a 12 hour day anymore. That's loss of revenue and you can substantiate that.

Paul: That starts eating away at your elimination period. By the time it, if what ever it is, takes you out ... Which, by the way, if you guys are ever wondering what might disable you, just pretend you have the flu. Everybody has had the flu. Imagine you just felt like that. Forget what would make you feel that way, just pretend like you had the flu for two years. How likely are you to make the kind of money you're making now? The residual piece the flip side to that is when you go back to work, and for me this is the one that just resonates so well, if you're an executive listening to this how much of your compensation is base versus some sort of incentive plan? Now, it might be based upon your specific performance and business development, or it might be based upon your team and yet-

Cory: Either one is going to be heard if you're gone.

Paul: If you come back, and you're back to work, and they're paying your salary, except it's going to take you two years to spool back up to do the amount of business you were doing before and therefore be compensated with that level of revenue, I'll tell you right now many disability contracts, if they don't have a residual on them, will say simply, "Oh, man. We're so glad, boy, thankful that you are back to work and you got your first paycheck, so we'll stop sending the ones we've been sending you."

Cory: Again, I've said that an insurance company wants you to have an incentive to go back to work if you could. If they gave you 100% coverage of your income for whatever reason got you disabled, no one's coming back.

Paul: A cold might disable me if it will replace 100% of my income.

Cory: I stubbed my toe yesterday real hard. Shucks, guys. There's no reason, there's no loss. They really want us to have some skin in the game. Really, depending on how you factor it on your income, 60-70% is the most under traditional means that is typically available. Now, are there some ways in certain situations to get that higher? Sure, but that will be the subject of another podcast. If you're at the 60-70% range, then you're probably nearing the edge of what you could get.

Paul: When you get up higher than 3, 4, $500,000 dollars, you get to where you can't even replace 60% of your income. Now, this leads right into the group conversation. What is the typical group disability insurance contract look like from a percentage replacement, Cory?

Cory: It's amazing, because consistently I would say upwards of 90% of the time it's exactly the same, something like 60% of income with a cap of up to $5,000 dollars a month.

Paul: It could be up to 5 or up to 10. You'll see a few companies that will be up to 15 but there is always this cap, which almost makes it not even 60% replacement rate to those higher income earning people. You make $400,000 dollars in one of these companies, the 60% with the limit-

Cory: Of five is-

Paul: Of five is now we're replacing ... [crosstalk 00:26:25] 15% of your total income. You read it the first time, much like you mentioned it at our opening, that if you have group you feel like it's just handled. I have group coverage. You'd be amazed how often people are in that spot, they've told other advisors they're in that spot and we say, "Would you just send us the documentation?" They send it to us and it's the first time they've ever had somebody who knows what they're doing look at, read that. The employer doesn't want to go tell the person they've recruited that they're paying $400,000 a year to that they're only getting a 15% replacement rate.

Cory: The employer, they're not even thinking about it that way. The HR department is trying to provide a suite of benefits that fit everyone from the janitorial staff all the way up to the executive suite. It's just the nature of what it is.

Paul: Great rule of thumb, when you're in the top 1% income wise, which means over about $370,000 of income, is what works for everybody probably doesn't exactly work for you. In this case the group coverage, 60% with a cap, how do they treat incentives? Most of the time that people get bonuses, long term incentive plans.

Cory: This is where looking at the language is really, really important. It will usually say base salary or base income. It will specifically not say, or sometimes specifically exclude, any kind of bonuses or variable compensation. At 60% of whatever [crosstalk 00:27:56] have your income up to 5. Large corporations that are, say, employees that have a wider range of income, probably more a 6%, $6,000 dollar, $5,000 dollar cap. Hospitals, medical groups, more specialized organizations we will see a higher cap than that because that's the only people that they're covering, and so they know that. Then the other piece that comes into it very, very frequently is that definition of occupation. Many, many times, again, because this is meant to be a one size fits all and it's meant to fit into a certain budget and cost structure, they will be defined as either any occupation or own occupation for an initial period, usually two years, and then change to an any occupation definition.

Paul: The way those will usually work, especially if you're a physician, somebody will tell you you have own occupation, and it's sort of true. Just not entirely true. Here is what sort of true means, that they will cover you in your own occupation for five years. There are some very prominent, well respected insurance companies, this is exactly what their provisions say. Their agents are taught to say that they have own occupation because technically for that five year period of time you could, say, be disabled as Cory's example the surgeon and go work on a university faculty. You could work for five years, you're collecting your benefit, and you're collecting your pay at the university but at four years, 11 months, and 29 days you need to resign from the university. Here's why, if you don't resign from the university you're going to be working in any occupation. Now, it's okay. They will keep paying you as long as you resolve to sit on the couch and stop bringing value to the world. I get a little passionate about this, my apologies.

Cory: Bring it on.

Paul: It just incenses me because, by the way, if you take somebody that wants to contribute, who has gone through a disability, who has gone out in the marketplace and has now figured out another way to bring value to the world, and now you produce an economic incentive for that person to sit on the couch, every study has shown that that will shorten their mortality. That kind of contract selection is literally killing people earlier than it needs to versus allowing somebody independent of the income protection they put in place to go out and bring as much value to the world as they can. We've found over and over again when studying human performance that if people are bringing value to other people, what does it do? It allows them to live a happier, more centered life, which is all the more important if what happened was your ability to bring your primary value after to the marketplace has disappeared for whatever reason. I feel passionately about it.

Cory: I like when I get him fired up.

Paul: Employers are very friendly, Cory. They're so good to us. All our clients just love them, and they pay for the disability insurance for that executive. Then what happens to the benefit?

Cory: That was the next thing on my list. It's not the last thing, but the last thing we'll talk about for today that you need to pay attention to is how is that disability insurance getting paid for? Meaning your employer is paying for it entirely and they are deducting that expense on their tax return as a cost of business, an employee expense. The IRS says, "Oh, when you get a claim and you're receiving those benefits," they say, "congratulations. You get to pay taxes on those benefits." Now, if you're paying for that insurance either privately or in your group policy there is usually a way, well, I won't say usually, sometimes there is a way for you to include some cost in your paycheck to not make it taxable. You can receive your benefits tax free. Think about a group policy that's limited to 60% of your income, except it's more like 40% because it's capped at that artificial level and you're paying taxes on top of it.

Paul: You think you've got 60%, but what you might find is maybe it's just 30% of your income.

Cory: If you're making whatever you're making now on your normal budget and sometimes money feels tight, think about what it would be like to live on 60% minus taxes or less.

Paul: I think one of the things that's missed often by advisors is something as simple as a conversation about income protection. Many of you know who are listeners that I spent years recruiting financial advisors as a senior VP for a much larger firm, and training and working with these advisors to help think better. One of the things I would do is go out and try to recruit other advisors, periodically bring one of them in. One of the things that would get me, I was never actually thrown out of an advisor's office, but that would disturb people is somebody would sit back and say, "Well, I'm a fiduciary for my clients. I make nothing but the best decisions for them." I'd say, "Well, how are you a fiduciary?" "Well, I just accept fees only from my client making sure," which is great. It is great. They talk through their whole philosophy about how they take the best possible care of their clients, which I agree with.

Paul: Then I would ask, "Well, do you make sure your clients get disability insurance?" No kidding, this is the answer I get most of the time, most of the time they would say, "Well, yeah. I tell them they should get it. I even have them sign a piece of paper saying that I talked to them about it and they decided not to do it." I said, "Well, why do you do it for them?" They said, "Well, do you know how much paperwork that is? It's really a difficult thing to understand well enough and make sure to position my client, and the client sometimes gets frustrated by the application." Like, "Wait. What you're saying is you're going to be a fiduciary right up until it's inconvenient for you?" That's the part that we get people a little disturbed.

Cory: You actually say that to them straight out right?

Paul: Yeah, that's what I say.

Cory: You still didn't get thrown out of their office?

Paul: I didn't get thrown out. Usually, when I crossed that barrier it was a rare bird that would actually reflect on his own practices enough to change as a result of that. The rest would literally just now begin to defend the way they look at the world rather than using that as an opportunity to introspect. Here's what I would suggest, if you're working with any financial advisor out there and you are a high income professional or entrepreneur, I think you should ask. This is where I think we can leave it today. I want you to ask that advisor how many disability insurance policies did they facilitate their clients getting in place. Now, here's why I ask that. Number one, many advisors are not trying to work with people in these annual income ranges. They really just want the retirees that are punching out and they're going to manage their money, which means many of these advisors, because they're chasing the assets under management model, aren't there helping you navigate your career and get you protected along the way.

Paul: That's number one, you'll discover that. Number two, you will discover what their philosophy is on protecting you. These advisors that are having their clients sign off on disability insurance that, "I was talked to about it and I chose not to do it," literally the advisor is protecting themselves from their liability that could happen in case that client gets disabled, but they're not taking the time to actually protect the client. To me, that is nonsensical and by the way, it's just in the culture of many advisory firms that that's the way they look at the world. I don't mean to besmirch them, the reason I want to put this on the podcast and have you guys go ask your advisors, hopefully it moves the needle for them to reflect a little and say, "Well, are you saying you want disability insurance?" "Yes, I want disability insurance."

Paul: Maybe what they will do is go find a competent insurance agent somewhere in their world who can just handle that for them, because if you are an advisor that's working with high income professionals you had better make sure that they're protecting their income. They should have a chance to go beyond the group. You can do that. You can easily get an individually issued policy that picks up the gap between that 60%, or taxable, or non-covered bonus to be able to make sure your family gets as close as possible to replacing as much income as you can. Anything else you think we should talk about in closing, Cory? You made sure they know where to get the white paper?

Cory: Yeah, if you want to learn more, info@sfgwa.com or our website, sfgwa.com. If you have an existing disability insurance policy and you're interested in getting a look at some independent analysis, happy to receive an email there. If you are a doctor, a medical resident, a medical student, I would very much like to help you out. As many of you heard through these episodes, my wife, by the time you hear this my wife will be fully credentialed as an MD. I just have a heart for all the details you all have to keep track of, let alone all of these other financial matters. My commitment is if you are about to enter residency, about to leave school, you're going to have to start dealing with those benefits for the first time, I would just like to be friendly and help you out, no strings attached, nothing, help you sift through some of those things. Happy to get that email at info@sfgwa. Thank you all for being here. Paul, take us out.

Paul: Here's the thing, these things are not easy to address. Sometimes episodes like this can be listened to as boring. What I want to encourage you to do, and maybe one of the best things you can do, is go to disability.sfgwa.com. What you're going to see there is a white paper. That white paper is going to talk about this unique intersection of life, of human beings, of money, and economics, that things like this are so important. There's actually a worksheet near the back of that that you can use. It's not easy to design and build a good life. That's why most people arrive in the future having not done so.

Paul: What we want for you, for you as a listener, is that not only you taking the time to invest in yourself to listen to these podcasts, that you also invest the time to work with a competent professional, us or somebody else. Frankly, if you're a consistent listener to this, even if your professional is doing some things that aren't philosophically aligned with this you'll know when it's not there. Then you can help them move the needle, so that they have a better practice and take the best possible care of you. We hope this has been a contribution to you being able to design and build a good life, and we hope to have you back next week.

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