

## What Variables Affect Disability Insurance Costs for Physicians?



The Cost of [Disability Insurance for Physicians](#) can vary from individual based on a laundry list of different criteria. You may find yourself discussing disability insurance with colleagues and the topic of the price will inevitably come up. Cost Varies, it really does. And since everyone is different it's important to set your expectations on cost based on quotes that are specifically designed for you. Here are a few of the variables that affect [Disability Insurance costs for Physicians](#).

**Age** – The older you are the more expensive the premium. Even though in theory you may think the older you are the less money the carrier will have to pay out if you become disabled. The statistical fact associated with age is that you are more likely to use the policy the older you get because the risk of disability increases with age. The carriers view your older age as a shorter period of time they have to collect premiums so, therefore, they make up for the risk associated with a shorter time frame to pay premiums and the increased likelihood that you will get disabled by increasing the cost with age.

**Sex** – Females make up 2/3's of the people who are currently out on disability claim. So because of the increased risks and likelihood of disability associated with being female, insurance carriers charge females nearly double for Disability Insurance.

**Where you live** – Just like all other types of insurance, certain geographical locations across the country are viewed as higher risk territories for Disability insurance carriers. Typically, we see higher costs associated with states that have a higher cost of living and whose government-run insurance departments run slower due to bureaucratic hold-ups that make it longer and harder for insurance carriers to introduce new competitive products. We often find that applicants who live in NY and CA have less available insurance options and higher premiums associated with the cost of insurance and disability insurance is no exception.

**Medical specialty** – Carriers create rate classes based on the occupational duties of physicians. The more delicate the work you perform along with the physical demands your occupational duties require greatly impacts the premium you will pay for Disability Insurance. Naturally, a Surgeon pays more for disability insurance than a Pediatrician and an OBGYN pays more for disability insurance than a Hospitalist would.

**The benefit amount you purchase** – The more money you make the more coverage you need. The more coverage you need the more money you pay for [Disability Insurance](#).

**The riders you choose** – The riders that make up your policy will add to the overall cost for the Disability Insurance you purchase. This does not mean you should buy a policy without riders in fact, certain riders should be considered mandatory like the Own Occupation rider, Residual Rider, and the Noncancellable and Guaranteed Renewable rider. Depending on your age, a Cost of Living Rider (COLA) could be added to help protect you from the risks associated with a prolonged disability against the rise in inflation. Additionally, a Catastrophic rider may be available to add to your coverage if you'd like to have an extra benefit should you suffer a major disability that would prevent you from performing two out of the six activities of daily living.

**Your health** – Medical underwriting plays a large part in the overall premium you would pay for your Disability Insurance. Most good agents will do their very best to understand your medical history prior to providing you with quotes in order to most accurately set your expectations of the available features and the overall [cost of Disability Insurance](#). The healthier you are the less expensive your policy will be.