

September 21, 2004

THE FORGOTTEN DISABILITY INCOME INSURANCE POLICY

By Michael E. Jacobson

Thought you had the maximum disability income insurance. Are you frustrated with all the changes to the disability income policies for Physicians? Did you know that there is still one type of disability income policy where no changes have been made to the Physician? Would you like to add another \$30,000 in monthly benefits? Then keep reading.

As a successful Physician/Business Owner you know that a disability could force you to close down your office and severely strain your personal and business finances. After all, you may have two budgets, but you only have one income.

When sickness or injury strikes, a personal disability income plan can help provide you with the necessities of day to day living. But your overhead expenses would continue to mount up. Day after day. Week after week. Month after month. How could you afford to keep your practice open?

A Disability Overhead Expense Policy will help ensure that a total disability will neither compel you to lower your standard of living, nor force you to close your office.

Covered expenses include any regular expense, normally incurred in the conduct of your practice, which requires a cash payment and is considered tax deductible by the Internal Revenue Service. Examples of covered expenses include rent or mortgage and realty tax payments on space you occupy and use as business premises; employee salaries, including employer contributions for FICA and qualified benefits plans; utilities; installment and interest payments for furniture and equipment; business insurance premiums; accounting, billing and collection fees; janitorial and maintenance services; fees for professional licenses; postage; association or trade dues; subscriptions; business laundry; and other actual business expenses.

This type of policy serves a dual tax advantage. The Internal Revenue Service has ruled that premiums paid for an overhead expense disability policy are deductible as a business expense. However, any benefits received would be treated as income. That income is used to pay the deductible business expenses, which the policy covers.

Protect yourself. There's a lot at stake.

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